



# Statement of non-financial

performance

2020-2021









We are releasing this report after a year of significant transformation for the company in which we had to navigate a very uncertain environment, and make difficult and humanly challenging decisions.

In June 2020, we decided to refocus our brand portfolio resulting in the closure of LMDJ, Delaby and the sale of Jours Heureux. These decisions had a direct impact on some of our colleagues, leading to an Employment Protection Plan, but they were neces-


sary in order to focus more on our three core businesses: Fashion, Home & Lifestyle and Health-care.

In addition, a €33.9 million capital increase in late 2020 strengthened the Group's financial position. The family shareholder subscribed to this, thereby renewing its full confidence in the Group. We can note that the members of the COMEX also subscribed to this capital increase, and the top management of the company is now a shareholder of 5% of the capital.

Throughout this financial year, which was once again marked by the health crisis, our priority was the health of our colleagues and customers and the fulfilment of our commitments to our suppliers. Our resilience and adaptability enabled us to return to growth this year.

It is in this unprecedented environment that the Group continued to implement its CSR policy. As we are convinced that business and sustainable development have become inseparable, we have placed CSR at the heart of our transformation for several years now. We have called this strategic axis: «Change Our World». Our ambition is not to change the world but to make a contribution on 3 commitments: change for our planet, change for more ethics and change for more solidarity between generations.

Since the beginning, our CSR policy has been part of a continuous progress approach. The deployment of our CSR policy is based on solid and recognized foundations and benchmarks such as the United Nations Global Compact, the Initiative for Compliance and Sustainability, and the Fashion Pact, as well as on the collective, our peers and competitors, but above all on the company's human capital. Our efforts were rewarded this year with a very significant improvement in our non-financial rating. We have chosen to be evaluated annually by the Ethifinance agency, through the Gaïa index. In December 2020, we saw our score increase threefold, from 17 to 51. Our ambition is to reach 70 by 2022.

Through this Statement of Non-Financial Performance, we sincerely wish to demonstrate how we have identified the critical issues at stake in our business and begun to implement actions to limit our impact. We still have a long way to go, and our ambitions reflect our commitment to continuous improvement and transparency. 

**Joséphine Biernacki, Chief Sustainability Officer**

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# DAMARTEX GROUP

*The Damartex Group is one of the leading European distributors of senior clothing and accessories in the 55+ segment with 9 brands.*

*Each brand has its own style and meets different customer expectations.*



# KEY FIGURES

**764M€**  
turn-over

**36,2M€**  
EBITDA  
(4,7% of TO)

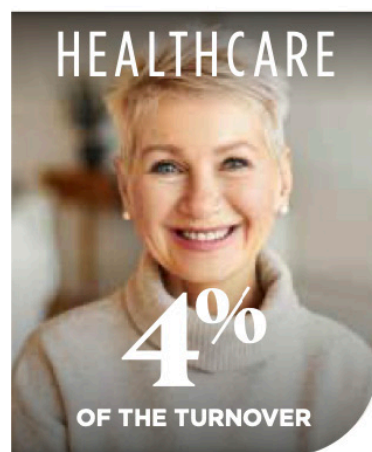
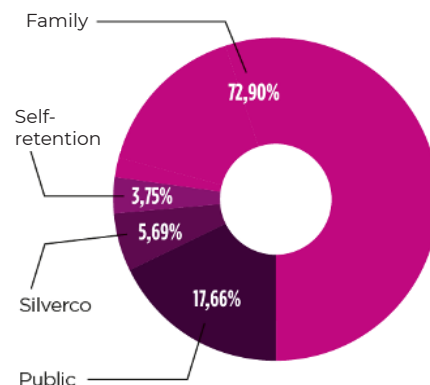
**3 300**  
employees

**22M€**  
of COI

**25,9M€**  
net financial performance

**2,6 millions**  
new customers in 1 year

## A majority family shareholder



## An omnichannel model

## 3 POLES



**MOBILE & WEB**  
**18%**  
20 e-commerce platforms



**STORE 18%**  
169 points of sale & over 500 wholesale partners



**DISTANCE SELLING 60%**  
6 centres d'appel intégrés / 150 millions de mailings

## 9 "GOLDEN AGE" BRANDS

- Damart : 58% CA
- Afibel : 12% CA
- Xandres
- 3 Pagen : 10% CA
- Coopers : 10% CA
- Vitrine magique
- Sédagyl
- Santéol
- MSanté



**9** countries of operation

- France : 48% turn-over
- United Kingdom : 29% turn-over
- Belgium : 12% turn-over
- Germany : 9% turn-over
- Luxembourg
- Switzerland
- Austria
- Netherlands
- Spain



## Fashion branch

### 3 strong and differentiating brands



A well-known heritage brand, "comfort of being yourself", textile intelligence, timeless fashion, sustainable & responsible reference brand, presence in 8 countries, 153 stores.



Brand of "inclusive fashion", elegance for all body types, large sizes, presence in 2 countries exclusively for distance selling.



Brand of "affordable luxury", richness of materials, morphology through Xandres Gold, presence in 2 countries, 15 stores and 170 distributors.



## Home & Lifestyle branch

### 3 brands recognized in their market

A unique concept in Europe : « Let life SHINE »

4 categories carried by "private labels" to accelerate development and differentiation :

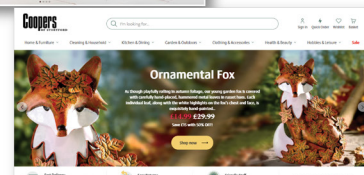
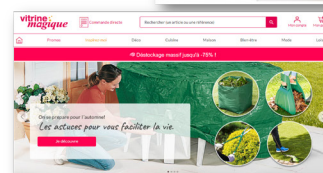
- Home decoration
- Lifestyle garden
- Household practical
- Wellness



**3 PAGEN**  
Germany, Austria  
77 M€

**Coopers**  
Great-Britain  
76 M€

**vitrine magique**  
France  
20 M€



## Healthcare branch

### 3 specialized brands



#### Home Care

Distributor of products to facilitate aging well at home (health, incontinence, mobility, comfort, hygiene, etc.).  
For distance selling and marketplace in France and UK.



#### Home service delivery

- Respiratory Assistance

Specialized services on oxygenation / sleep apnea  
7 agencies in France



- Infusion & Nutrition

Coordination services between the patient and the hospital  
3 agencies in western France



# THE VALUE CREATION MODEL

## ECOSYSTEM

### FINANCIAL

Capital	58 M€
Shareholding :	72,9% familial, 17,66% public, 5,69% Silverco (COMEX), 3,75% self-holding
Treasury :	26,1M€

### HUMAN

Employees :	3235 people in FTE
CDI :	87% people on permanent contracts

### MANUFACTURING

Production plant production	1 own factory in Tunisia (192 employees)
Suppliers :	1361 rank 1

### INTELLECTUAL

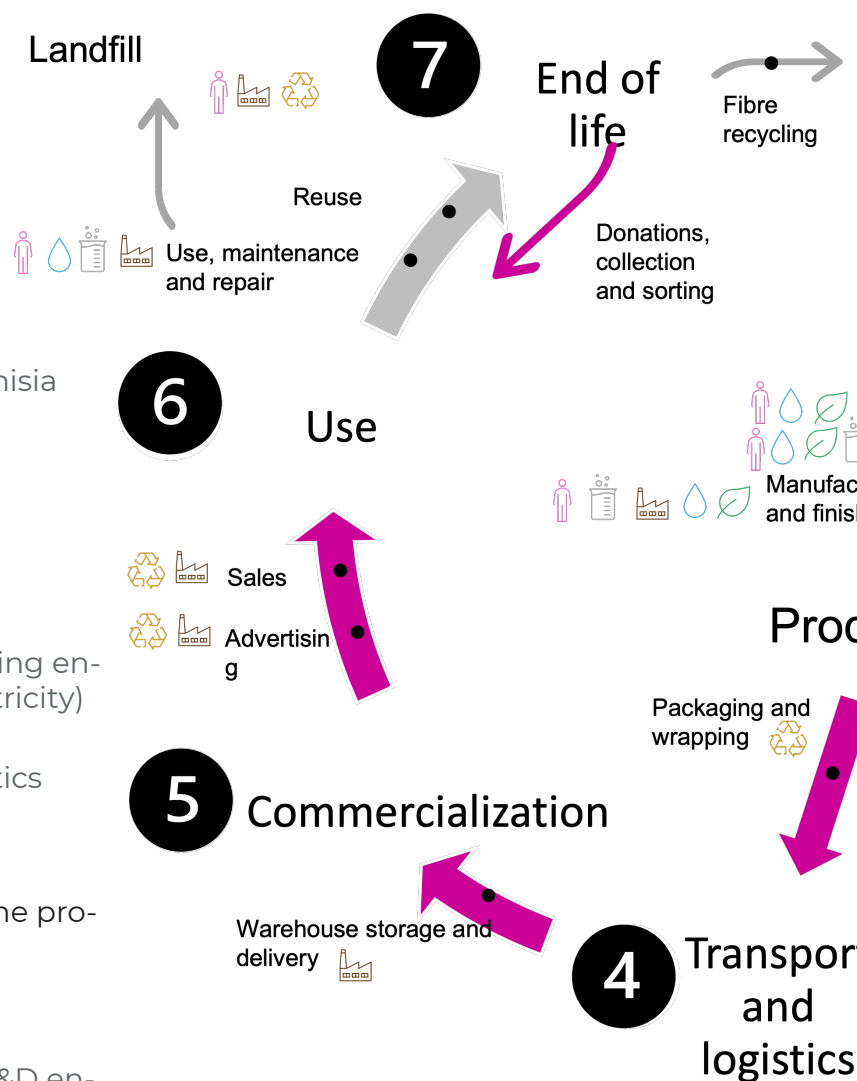
Consumption:	30.5 GWh for building energy (gas and electricity)
Use of plastic for packaging :	1221 tonnes of plastics used

### NATURAL

Innovations	Team of 4 expert R&D engineers (Damart)
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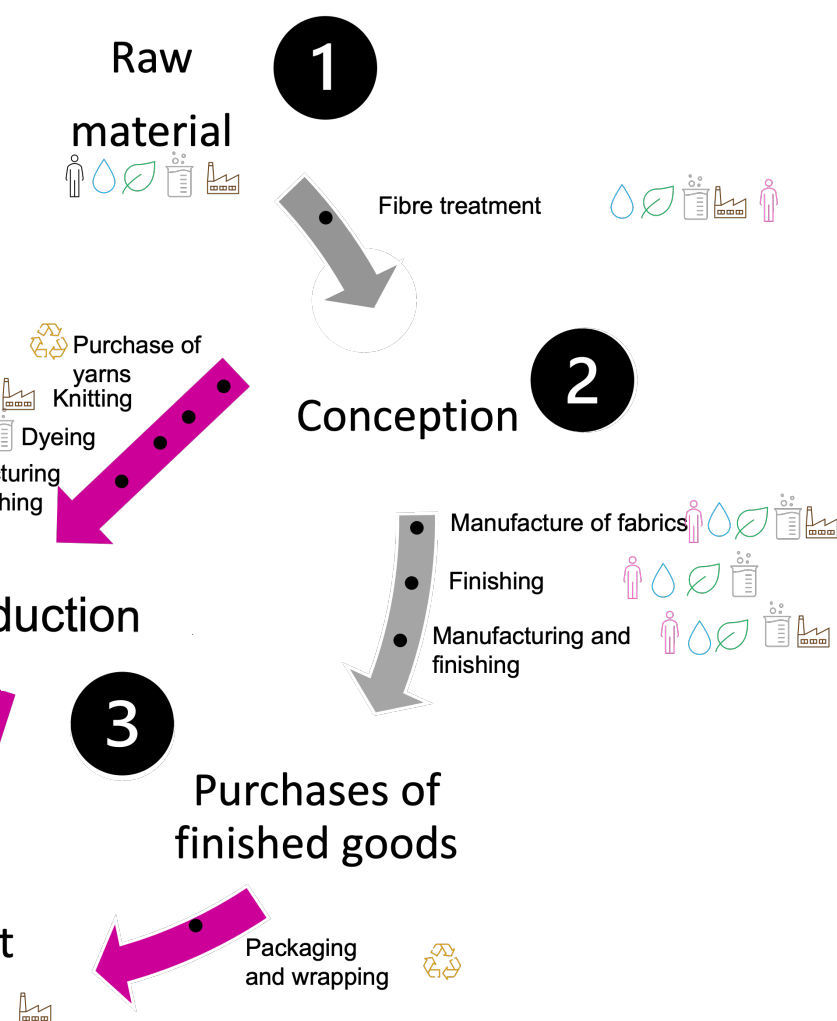
### RELATIONAL

distribution network:	169 shops
Foundation :	On Seniors' Side Foundation



NB : Santéol's activity is strategic at the reporting date (1.1% of turn) but has been excluded from the scope of the report.

	Use of polluting and/or toxic chemicals
	Degradation of biodiversity and soil pollution
	Waste generation



but not very significant (over) and has therefore this year.

## VALUE CREATED

Turnover	764,2 M€	FINANCIAL
Actions :	11 598 300	
Result current operating result :	22 M€	
Access rate to training :	58%	HUMAN
Feminisation rate :	75,8%	
Customers :	+ 10 millions	
CAPEX :	9,2M€	MANUFACTURING
Products from audited factories :	53% of products	
Carbon impact of the activity :	27 kg CO2 eq per unit sold	
Economy circular :	First collection based on recycled fibres (Damart)	NATURAL
Consumption of natural resources in the production chain		
Eco-Conception :	17% eco-designed products	
Labels :	4 comfort and well-being labels (Damart)	INTELECTUAL
Customer satisfaction :	NPS Damartex : 27,2	
Projects funded by the Foundation :	60 projects	
Sectoral commitment :	Global Compact Ambassador and Fashion Pact signatory and ICS member	RELATIONAL

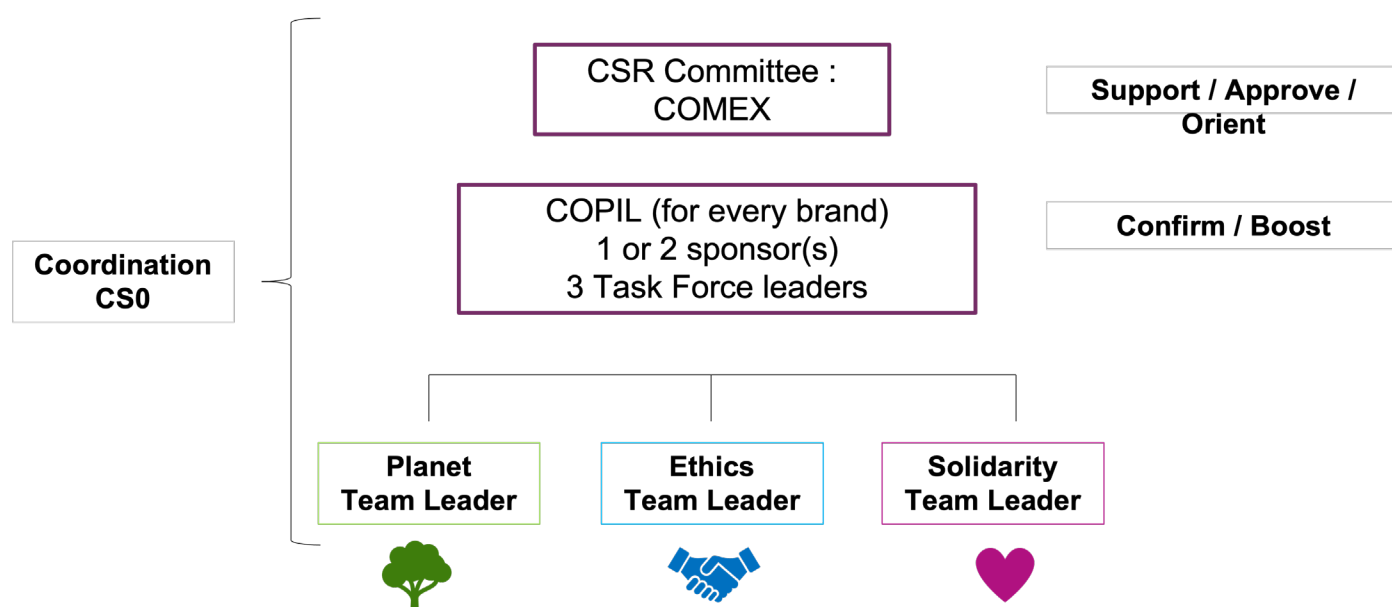
# CSR GOVERNANCE

Once a year, the Supervisory Board discusses the progress of CSR projects and validates the guidelines.

A CSR Committee has been created and set up within COMEX. Its role is to support the Group's CSR strategy and to approve the orientations of the approach.

The Chief Sustainability Officer (CSO) defines the Group's CSR strategy with the CEO, steers and coordinates the action plans implemented and adapted to each company. It reports on the progress of the transformation to the CSR Committee. It also facilitates dialogue both internally, with sponsors and team leaders in particular, and externally with stakeholders, for example. Sponsors are intermediary players appointed by each brand, responsible for developing and implementing action plans in line with the Group's strategy. Team Leaders build and manage project teams within the company, set the framework, and communicate on the progress of projects. They are business experts.

Thus, 30 people are the CSR policy relay points within the Group's brands. This network makes it possible to develop a CSR policy that is integrated into the businesses.





*The Damartex Group, a family business, is convinced that its current and future success is based on a sustained dialogue with its stakeholders in order to gather their expectations and identify its areas of progress in environmental, social and societal matters.*

*The Group has chosen to decentralize the implementation of its various modes of dialogue. It is therefore up to the different business lines of the different brands to set up the most relevant exchange tools with regard to the specificities of each stakeholder.*

## Suppliers/Agents

To ensure the traceability of the products and to reinforce the quality of the supplier relationship, Damart has created an online portal as an exchange space between the brand, the agents and the suppliers. It aims to steer their contractual, commercial and ethical relationships. The extension of this practice to other brands is under consideration. The Group conducts audits to check the working conditions and environment at suppliers' and the health risks associated with the products. These actions are an opportunity to exchange and work on these subjects with suppliers.

## Constomers

On a daily basis, Damartex employees are in direct contact (in stores, in call centres) with nearly 40,000 seniors in Europe.

All mail order brands have a call centre, a genuine space for exchanges and customer feedback. Damartex has created a specific space to welcome its customers and listen to them: The Customer Lounge. They can thus give their opinion on products, stores, catalogues, etc.

Brands have many exchanges by mail and on social media and customer requests are relayed internally to the most relevant departments.

## Employees

In 2017, the Group conducted a survey on the Quality of Worklife. This survey was an opportunity to give a voice to all the group's employees and thus allow them to express themselves in complete confidentiality. Annual follow-up questionnaires are being rolled out.

In addition, the yearly development discussions are an opportunity for each employee to take stock with his or her manager of his or her development within the company and its projects.

Different information channels: meetings, newsletters, internal social media allow each employee to access essential company information.

## Associations, NGO and initiatives

The Damartex group is a stakeholder and actively participates:

- in the World Forum (an annual reference meeting for international players in corporate social responsibility), as a corporate partner since its creation in 2008;
- in the United Nations Global Compact as a member since 2015, and as a corporate ambassador for the Hauts de France region since 2019;
- in the ICS (Initiative for Compliance and Sustainability) since 2017 and member of its Steering Committee since 2019; and
- in the Fashion Pact since 2019.

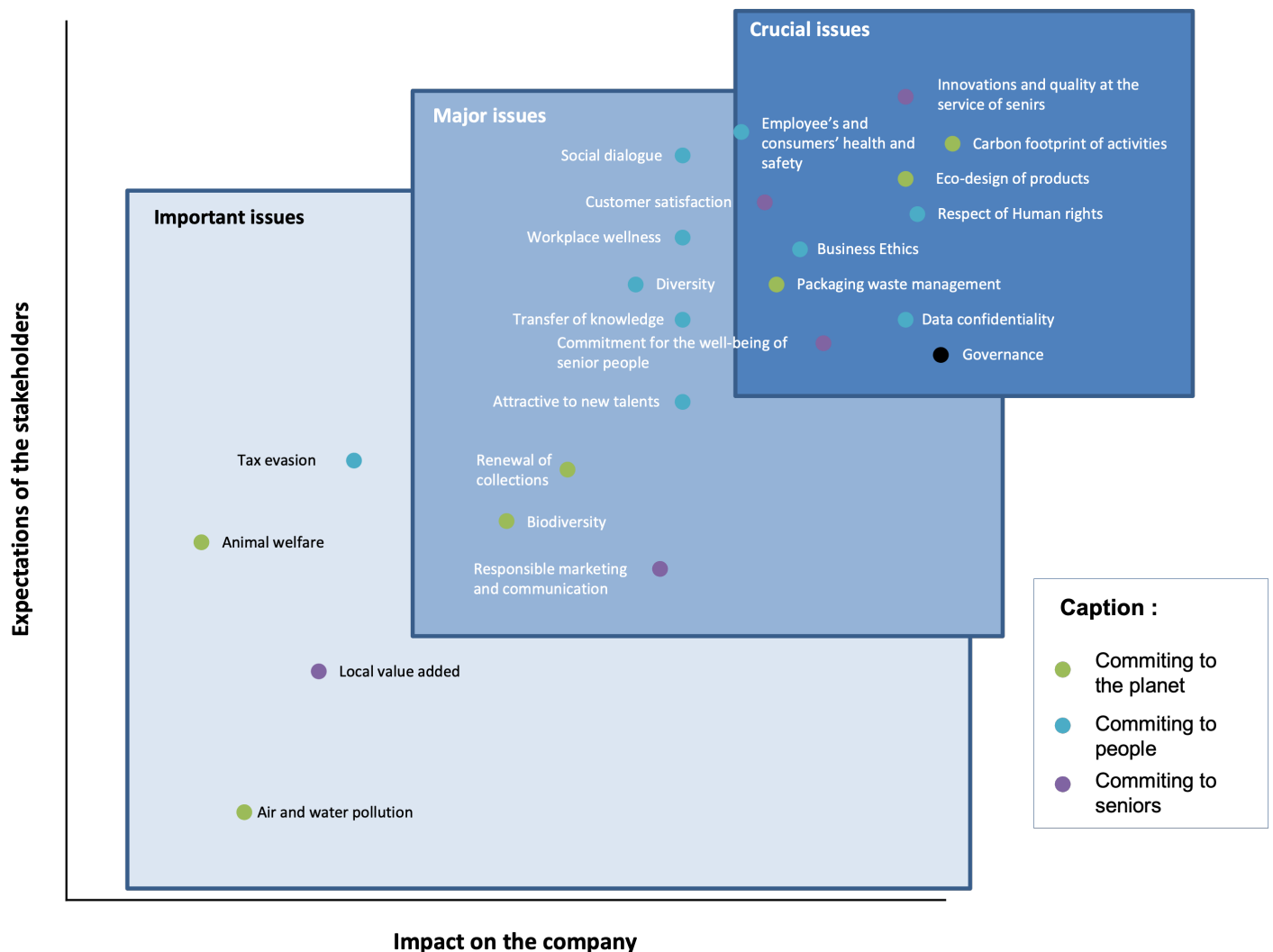


# MAPPING OF DAMARTEX ISSUES

## A methodology in 3 steps:

- Identification of the main CSR issues (major risk analysis, sector analysis, benchmarks, and international reference system, etc.)
- Prioritization of topics by external stakeholders according to the importance of the topics to be addressed for a group such as DamarTEX and by internal stakeholders according to the current and potential impact of the topics on the Group's activities;
- Detailed review and final validation of the matrix by the Chairman of the Management Board.

The materiality matrix presented below highlights the actions on which DamarTEX should focus in priority. Validated by the Chairman of the Management Board, it will serve as a tool for dialogue during future stakeholder consultations, in line with the CSR strategy - Change Our World - and the actions to be taken.



# CHANGE OUR WORLD - THE TRANSFORMATION PLAN

## COMMITTING TO THE PLANET

### CSR challenges:

- Carbon footprint of activities
- Eco-design of products
- Packaging waste management

### Performance :

- **553,300 tonnes of CO2 eq** released by the Group
- **19%** of references classified as eco-responsible products
- **1,500 tonnes** of plastics released by the Group

### Ambitions :

- Carbon footprint reduction of **30%** by 2022, neutrality by 2030.
- **25%** more responsible supply by 2022, 100% by 2030.
- **Zero** single-use plastic packaging by 2022.



## COMMITTING TO PEOPLE

### CSR challenges:

- Employee satisfaction
- Respect for human rights
- Respect for human rights

### Performance :

- **85%** employee satisfaction
- **61.5%** (Damart), **19%** (Afilabel), **36%** (Coopers), **4.4%** (3PAGEN) of the volume of purchases come from audited factories

### Ambitions :

- **100%** of employees committed to CSR by 2030
- **80%** of purchasing volume from audited factories by 2022 and 100% by 2030



## COMMITTING TO SENIORS

### CSR challenges:

- Innovation and quality at the service of seniors
- Customer satisfaction
- Inter-generational solidarity for the well-being of seniors

### Performance :

- **25%** of Damart sales achieved through innovation
- **31.1:** customer recommendation rate for the Group's brands (NPS)
- **39** projects sponsored by the On Seniors' Side

### Ambitions :

- Propose an inclusive, state-of-the-art offer for the 55+..
- **Target an NPS at 50** by 2022.
- **100 projects** sponsored by the On Seniors' Side Foundation.







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# RT I : COMMITTING TO E PLANET



## Ambitions :

1. Measuring and reducing the Group's carbon footprint
2. Eco-design :
  - More responsible textile products.
  - Transforming the Home & Lifestyle product offer into a sustainable offer.
3. Reduce single-use plastic packaging.

**By 2022** : Carbon footprint reduction of 30% and zero single-use plastic packaging.

**By 2030** : 100% more responsible supply and Carbon footprint neutrality



# COMMITTING TO THE PLANET

In September 2019, we joined the **Fashion Pact**, thus committing ourselves to reducing, together with the other players in the textile industry, our environmental impact on the 3 issues of climate, biodiversity and the oceans. We have therefore set our priorities and ambitions for 2022-2030 on reducing our carbon footprint, building a more responsible product offering and eliminating our plastic packaging waste.

## FASHION PACT



We measured our carbon footprint in March 2020 based on data from the 2018-2019 Financial year. Aware that our main impacts were linked to the life cycle of our products, we carried out this measurement according to the GHG Protocol on scopes 1, 2 and 3, taking into account the entire value chain.

The Group released **599,400 t of CO<sub>2</sub> eq**, or **27 kg of CO<sub>2</sub> eq** per unit sold over the 2018-2019 financial year, based on the ambition to reduce emissions by 30% by 2022. The environmental impacts associated with the Group's activity are mainly due to greenhouse gas emissions related to the life cycle of products: raw materials, manufacturing, use and end-of-life at customers', which account for more than **88% of emissions**.

The next largest emission categories are customer travel, transport and distribution of products and energy, which account for **5%, 3% and 1.3%** of emissions respectively.

Fashion brands account for **63% of the carbon impact compared to 37%** for Home & Lifestyle brands.

Breakdown of Damartex's greenhouse gas emissions across the value chain Total estimated quantity = 600,000 tonnes of CO <sub>2</sub>	2018-2019
Scopes 1 & 2 <sup>2</sup>	1.5%
Scope 3 <sup>3</sup>	98.5%
• Of which Purchase of goods or services	45.3%
• Of which inbound freight transport	0.8%
• Of which outbound freight transport	0.8%
• Of which Transport of visitors and customers	5.2%
• Of which commuting to and from work	0.6%
• Of which Waste	0.2%
• Of which Use of products sold	45.2%
• Of which End of life of products sold	1.0%

The first action plans concerning scopes 1 & 2 are being deployed and the brands have genuine ambitions in terms of eco-design and plastic reduction.

At **Damart**, as part of a reflection on the low-carbon trajectory, training was provided to the CSR and Supply Chain teams.

The **Damart** teams have decided to be accompanied by a consulting firm, to write the action plan to reduce its emissions. 3 themes were prioritized and were the subject of specific brainstorming workshops between business experts from each Business Unit (UK, Belgium and France):

- The purchase and use by customers of non-collection products (easy living and promotional items)
- The use by customers of textile products sold
- The energy efficiency of buildings (headquarters, warehouses and stores).



Following these workshops, an action plan concerning energy, product use, promotional items, freight, travel and awareness is being validated.

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† «Scope 1» corresponds to direct emissions linked to the combustion of fossil fuels (oil, gas, coal) used in the Group's buildings and those generated by refrigerant leaks from facilities; This scope also includes emissions from vehicles that the Group owns or controls. «Scope 2» corresponds to indirect emissions related to the production of purchased electricity, heat and cooling.

‡ «Scope 3» corresponds to other indirect emissions, in particular purchases of raw materials, finished products, packaging, and inbound and outbound transport. Some quantified but negligible emissions have not been included in the above table (fixed assets, other indirect emissions...).

# REDUCING THE CARBON FOOTPRINT OF OUR ACTIVITIES

## Reducing Scope 1 and 2 carbon footprint

Breakdown of greenhouse gas emissions	2018-2019
<b>Scope 1</b>	
Related to fuel oil and gas consumption	33.3%
Related to refrigerant leaks	20.0%
Related to fuel consumption by the Group's vehicle fleet	6.7%
<b>Scope 2</b>	
Related to the production of electricity purchased by the Group	33.3%
Related to the consumption of steam, heat or cold purchased within the Group	6.7%

Energy (buildings and own vehicle fleet) has an impact equivalent to **6,700 tonnes of CO<sub>2</sub> eq.** The Group's main sources of energy consumption are store lighting, the operation of heating and air conditioning systems and the power supply for IT systems.

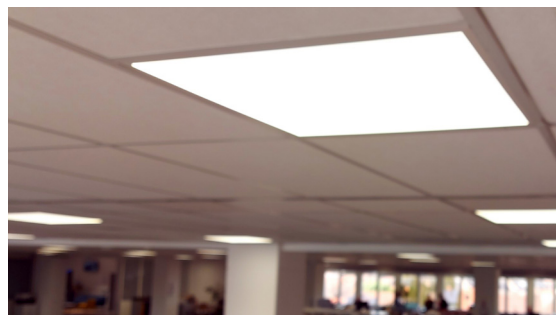
### Reduction action plans

#### ○ Concerning energy efficiency

- **Afibel** and **Damart** France have carried out energy audits that have identified potential sources of savings, particularly in terms of insulation, installation of LED lighting and the installation of twilight detection.

Both subsidiaries have implemented the replacement of the lighting with LEDs, an awareness programme for the teams to turn off the lights and some Damart stores are equipped with automatic doors.

- **Damart UK** has set up an action plan called Green Power.



The installation of energy-efficient LED bulbs, the upgrading of electrical equipment and the improvement of boiler efficiency at the site have resulted in huge energy savings over the last few years, to the order of 50,000 KWh per month. The current project is the installation of an energy monitoring system on the Bingley site. This is expected to reduce energy consumption by a further 5-10%.





- **Damart Belgium** has implemented a plan to reduce energy consumption called the Phoenix Plan.

This plan includes the installation of a new roof in accordance with the latest insulation standards, the cladding and insulation of the façade of the Dottignies site, the renovation plan for the offices and the relamping with LEDs. As far as the stores are concerned, the plan includes the installation of LED lighting and automatic doors.

- **The DMT production** plant has set up projects to reduce electricity consumption (use of LED lamps).
- **Coopers of Stortford**, for its part, has planned to switch to a carbon-neutral electricity supplier.
- **At 3PAGEN**, the neon lights have been replaced by LED lighting which is at least 50% more efficient than traditional neon lights.

These various contributions have enabled the Group to reduce energy consumption by 18% overall, with 30.5 GWh consumed for building use. Efforts must be continued and intensified, particularly with regard to natural gas consumption.

#### ○ *Regarding the vehicle fleet*

##### - **Electric vehicles**

Recharging stations for electric vehicles have been installed at the Group's headquarters in Roubaix and are currently being deployed at **Damart UK**.

Finally, the vehicle fleet at **Damart France** and **DSB** is only made up of hybrid vehicles, an incentive to choose electric vehicles for company cars has been put in place and the travel policy requires that preference be given to trains over planes or private cars. As for **Damart UK**, the vehicle fleet is now entirely electric.



## Reducing the Carbon Footprint of Transport

Transport and logistics to deliver products have an impact equivalent to 10,000 tonnes of CO<sub>2</sub> eq at Group level. Transport is divided between inbound and outbound transport.



### - Inbound transport

Inbound transport covers the flow of goods (road, sea or air freight) between suppliers and the Group's warehouses.

The seaway, which is economical and boasts a reduced environmental impact (lowest ratio of tonnes of CO<sub>2</sub> eq/tonne.km), is by far the preferred mode of intercontinental transport for all the Group's brands.

### - Outbound transport

Outbound transportation concerns supply flows from warehouses to points of sale. This freight is entirely transported by lorry. The rate of replenishment is controlled by the Group, but delivery is handled by third-party service providers.

## Reduction Action Plans

### o Concerning freight transport

The DMT production plant has set up a plan to reduce and optimize transport to the fashion contractors, in particular by full-lorry transport.

In addition, since June 2021 Damart has set up, with its new service provider, the deliveries from the DMT factory in Tunisia in combined rail-road transport from the port of Marseille to the inland port of Lille. This new mode of transport allows for a reduction of 85% of CO<sub>2</sub> emission compared to deliveries by road only.

All of the Group's French subsidiaries use the services of La Poste for the delivery of parcels, mail and catalogues. For these services, La Poste guarantees carbon neutrality thanks to voluntary offsetting actions carried out in Europe.



### o *Concerning commuting to and from work*

All companies encourage their employees to use alternative modes of transport to the private car and to work from home.

- Work-from-home was already practised in some of the Group's companies before the lockdown. **Damart France, Damart Belgium, Damart's support services entity (DSB), and 3Pagen** had set up an agreement on work-from-home at a rate of 1 to 4 days per month. DSB was a pioneer in this respect and signed it in 2016.



The Covid-19 crisis has accelerated the evolution of this operating mode with the generalization of work-from-home and the development of digital collaborative work, notably via Teams.

Every year the colleagues of **Damart France** and **DSB** take part in the mobility challenge in Hauts de France and have already received prizes on 4 occasions. This year, the entire network of French stores entered for the first time in September during the 2020 edition. A total of 129 employees took part in this challenge, which was also an opportunity to organize a work-from-home selfie competition, a bicycle repair workshop and a video to engage colleagues. Afibel joined the movement for the 2021 edition.



### - **Bikes**

For many years, several initiatives around cycling have been put in place. At **Damart France**, electric bicycles are made available to colleagues to travel between the Group's various sites located in Roubaix.

Financial aid has been set up for colleagues who wish to acquire a bicycle at **DSB, Xandres, Damart UK, Damart Belgium, Coopers, and 3PAGEN**.

In April 2021, the Damartex Group acquired a software solution to manage its climate strategy, including to measure the carbon footprint of its activities on an annual basis, to build a low-carbon strategy and to steer the results dashboards using a collaborative tool.



## Designing a more responsible product offer

Products are our number one source of CO2 emission. This is why we have placed eco-design among our major ambitions. Simple, common rules have been defined at Group level to qualify more responsible products. A product is considered more responsible if it incorporates at least one criterion aimed at reducing its environmental footprint: organic, recycled, alternative, labelled raw material, less impacting transformation process, European origin or proven sustainability.

In order to allow the product, purchase, quality and R&D teams to be fully involved in this eco-design approach, training sessions were delivered at **Damart** and **Afibel** throughout the year. For the teams, it was an opportunity to learn more about alternative sustainable materials, more virtuous manufacturing processes, **GOTS** (for organic cotton) and **GRS** (for recycled materials) certification, and the Life Cycle Assessment (**LCA**) of the product and thus measure the importance of reflecting upon recyclability early on in the design of a product.



**Damart** has also joined the initiative of **ADEME**, France's energy agency, and participated actively in the working group composed of French brands on the update of the environmental labelling reference systems and mirror group of the PEF Apparel, a European project, which aims at creating the environmental labelling reference system.

### More responsible raw materials

#### ○ Actions implemented at Damart

To guarantee the absence of harmful chemicals at each stage of the manufacturing process, **Damart** has chosen STANDARD 100 by OEKO-TEX®. It is a voluntary process that certifies and labels products, thus providing assurance that the articles tested and certified do not contain harmful substances in quantities that could be harmful to health.



#### - A Flagship Product: Thermolactyl

Initiated on the Damart underwear range produced in Tunisia in the DMT factory, it has been extended to all suppliers producing underwear for Damart. Thus, DMT has its own STANDARD 100 by OEKO-TEX® certificate issued by IFTH.

Results: 141 references sold are certified for 2020-2021 (99 references certified in 2019-2020). The objective is to reach 100% on the underwear range for the winter 2021 collection.

**141**  
certified  
references





As part of its commitment to a more sustainable fashion, Damart's priority has been put on its iconic product, the Thermolactyl underwear, by replacing polyester with recycled polyester. Once the stock of conventional polyester is exhausted, 100% of the range will be made of recycled polyester. A first underwear programme, Thermolactyl Love, made of recycled polyester is on the market for this winter 2021 season. To measure the impact of this transformation, a life-cycle analysis is underway on the iconic, legacy product of the underwear collection.

#### - A more responsible collection

**Damart** imagined (RE)GENERATION, the first collection of 9 references in recycled polyester from plastic bottles for the Winter 2020 season.



On the strength of this experience and following eco-design training, the product teams have expanded the recycled range to 15 references for the Spring-Summer 2021 season. On the other hand, they have also introduced alternative materials such as linen, lyocell and silk in the Spring-Summer 2021 collection with 60 references.

Type of materials/labels	OEKO-TEX	GRS/GOTS	Alternative materials
Number of references (AW20-SS21 collections)	141	24	60

#### o *Actions implemented at Afibel*

Beyond its choice to prioritize European origin as a more responsible offer criterion, Afibel wished to go further in the approach and started to develop products (duvets and pillows) from recycled fibres, and will market its first ready-to-wear products during the Winter 2021 season.

## Animal Welfare

**The Group's Fashion** brands have been committed for several years to refusing any use of animal fur in their collections.

Damart wants to go further in its responsible approach and has banned Angora wool since 2018.

For the **Home & Lifestyle brands**, all the beauty product ranges comply with the European regulations in force concerning animal welfare.

**3PAGEN** prohibits the distribution of wool products from Australia due to the practice of mulesing, Angora wool and goose feather products due to raw plumage.

# DESIGNING A MORE RESPONSIBLE PRODUCT OFFER

## EU origin



As it is aware of the importance of its impacts throughout its value chain and anxious to reduce them, the Group has considered that the European origin of products falls into the category of responsible products.

For the Fashion division, **Afibel** has chosen to make it a real axis of differentiation and orientates sourcing of its products in Europe, 65% of the collection's references are manufactured in the European Union.

### - Eco-design for Home & Lifestyle brands

The policy of **Home & Lifestyle brands** consists in promoting the environmental aspect of certain products: alternatives to plastic products, to insecticides, to industrial household products, to electrical products. Thus for the Home & Lifestyle business, 10% of the collections come from the European Union. The sourcing of cosmetics, phytotherapy and care products is mainly of European origin.

Overall, **17% of the products in the 2020-2021 collections** fall into the eco-responsible product category according to the framework set by the Group, particularly in terms of raw materials and origin. The objective is to reach 25% by 2022.



## Product Sustainability

The Group's **Fashion brands** are committed to a more responsible and sustainable approach to fashion, as opposed to Fast-Fashion, by offering quality clothing made to last.

More generally, the Group's brands do not have a policy of multiplying collections and the fact that most of them were originally mail-order companies means that they have a high rate of carry forwards, which does not encourage overconsumption.

*Collection carry forward rate*

DAMART	AFIBEL	XANDRES	3PAGEN	COOPERS OF STORTFORD	SEDAGYL	DELABY
75%	54%	27%	77%	70%	79%	91%

Additionally, the **Damart** brand has carried out a study among its customers on the opportunity to guarantee its Thermolactyl underwear products for life. It turns out that this is not an expectation of the customers, who rather want a guarantee and proof of quality with regard to the recyclability of products. Working groups on these consumer expectations are currently being set up.

## Products' End of Life

**Damart**, **Afibel** and **SilverEdge** are historical members of the REP (Responsabilité Elargie du Producteur - Extended Producer Responsibility) **Eco TLC** (Textile, Household Linen, Footwear) stream, **Damart** is also one of the partners and since this year is a permanent guest on the Board of Directors.

**Re\_fashion**

Through their eco-contribution, these brands have been instrumental in the transformation of the textile industry towards the circular economy, with priorities such as innovation, eco-design, environmental signage and the integration of recycled materials from used TLCs.

The amount of the TLC eco-contribution for the Group's French brands for 2020 reached € 248,502.

**Damart & Afibel** try to raise their customers' awareness on this end-of-life issue. Thus, the brands have committed alongside other brands in the #RRRR communication campaign initiated by the Refashion organization from 8 to 17 October 2021, to talk about the repair and 2nd life of clothing and shoes on its website and in social media (Facebook, Instagram, Twitter).



## The circularity of models

### o **Product recyclability:**

The recycling of materials is one of the major challenges of the textile industry.

#### - **Actions implemented at Xandres**

Since 2018, **Xandres** has been actively involved in 'Close The Loop Programme', a Belgian working group. This initiative focuses on the transition to a circular economy and the integration of circularity principles in the supply chain and in the daily interactions between designers, suppliers, production sites, stores and retailers.

Thus, the brand was chosen as part of a call for tenders to design and manufacture the uniforms of the employees of the SNCB (Belgian National Railway Company). The environmental and social aspects played an important role in this choice. The new uniforms will be made of recycled polyester, and the old ones will be recycled into insulation material or other sustainable alternatives.

# DESIGNING A MORE RESPONSIBLE PRODUCT OFFER

In addition, **Xandres** is taking part in the new European circular fashion project: project SCIRT. This project aims to tackle one of the biggest challenges facing the fashion industry: waste and recyclability of clothing. With 18 partners from five countries, the project aims to accelerate the circular transition of fashion through technological innovations in textile recycling.

- **Actions Implemented at Damart**

Fervently committed to innovation, **Damart's R&D team** has been thinking about recycling the Thermolactyl blend, Damart's flagship product. To create and produce Thermolactyl underwear, the DMT plant uses «scribbled», technical, value-added blends. In order to recycle production «scraps» (offcuts, nonconforming offcuts, etc.), studies have been initiated to recycle offcuts from the main mix. The objective is to find solutions and applications that will allow these components to be valued at the height of their performance. Tests have been carried out on different transformation options to assess their recycling potential. The transformation into recycled yarn led to losses in performance and strength and was difficult to industrialize; this lead was abandoned. However, the conversion to non-woven fabric and padding has proven to be technically superior to the components used up to now. The whole process has been thought out for the marketing, next year, of down jackets integrating a filling made from these Thermolactyl cutting waste at the DMT production plant.

Other possibilities are being studied for duvets and for insulation for the building industry. This first step will allow to create value and to learn: to address, in a second step, the post-consumer recycling of products and find the keys to deal with the complexity of this subject (collection, identification and sorting, flow, transformation, recycling ...).

o **Unsold and defective products**

**Product non-destruction policy:** All of the Group's brands seek to optimize the use of unsold products at the end of the collection, and thus avoid any destruction.

*Rate of unsold products by brand excluding Xandres (for the 2020-2021 financial year)*

Damart			Afibel	3PAGEN	Cooper of Stortford	Sedagyl	Delaby
FR	BE	UK	2%	7%	3%	13%	9%
5%	1%	1%					



For Fashion brands, overstocks are either resold via internal channels (stores, package inserts, bargain websites) or externally (discount stores, pound stores...) or donated to associations (Restos du Cœur, Secours Populaire et Croix Rouge), or offered to employees when internal sales are organized.

During the financial year, none of the Fashion brands resorted to the destruction of unsold 1st choice products.

#### - Actions implemented at **Damart**

Regarding second choice products (with minor conformity defects), following quality controls at **Damart** and customer returns, partnerships with associations have been established. 44,179 items were redistributed this year.

**Damart France** has formed a partnership with the Solidarité association which works for professional inclusion, digital inclusion, equal opportunities and entrepreneurship in Roubaix. **Damart** delivers the nonconforming products to Solidarité (5,858 items over the financial year) which sorts and resells articles with minor defects in jumble sales.

Finally, **Damart's** first upcycled collection (12 products) arrived in stores in France in Spring 2021. The brand has teamed up with the re-design collective Modimalisme to design a 100% upcycled spring collection based on the brand's unsold items. To co-build this capsule, 1,400 unsold items and 500 m of fabric recovered from a local partner were used. Yesterday's waste has become an inspiring resource for the designers, stylists and pattern makers of the collective.



In an ethical and solidarity-based approach, the making and reconditioning of the products have been entrusted to ESATs aiming at the professional reintegration of disabled people and an association helping women who are far from employment.

#### - Actions implemented by **Home & Lifestyle brands**

For the Home & Lifestyle brands, unsold products are carried forward to the next season, sold via discount stores or, as for the Fashion brands, in stock clearance catalogues in special offers and bargains. Non-reusable returns are sorted and treated in accordance with the waste treatment regulations in force in the countries concerned.

**Coopers**  
OF STORTFORD

**3PAGEN**  
Pfliffig! Praktisch! Preiswert!

**vitrine**  
*magique*

# LIMITING AND ELIMINATING PACKAGING WASTE

The packaging of products for their supply and marketing in stores or for mail-order sales requires different types of packaging which ultimately constitutes waste. This waste is mainly plastic, paper and cardboard. Hazardous waste represents a very marginal volume.

All subsidiaries have set up a waste sorting system in their offices and warehouses in order to reduce waste and optimize the collection of recyclable waste.

Damart UK conducted a comprehensive audit of the waste management of its two sites, which allowed for the choice of a new service provider, to reduce waste, improve recycling and make financial savings.

- Generation of hazardous waste at Group level (tonnes): 4 tonnes
- Generation of non-hazardous waste at Group level (tonnes) : 2,664 tonnes
- Percentage of waste reused, re-employed or recovered (internally or externally) at Group level: **73%**

**73%**  
waste  
reused

**The DMT** production plant, which is particularly keen to minimize the impact of waste related to its production activity, has implemented a major waste reduction plan that includes:

- Waste sorting
- Reduction in the consumption of fabrics and metal parts
- The elimination of the plastic film used for the storage of products





## Focus on plastic waste

**The Damartex Group** has decided to focus on reducing the use of plastic with an ambition to reach 0 single-use plastic packaging by 2022.

Over the 2020-2021 financial year, 1,221 tonnes of plastic were used by all the Group's brands. This is mainly:

Polybags to protect products coming from suppliers (**420 tonnes**);  
Shipping bags for shipping to e-commerce customers (**409 tonnes**);  
Plastic film that letters and catalogues (**348 tonnes**); and  
Other single-use plastics used (**45 tonnes**)

Brands are working towards removing plastic packaging from their processes. Several measures to reduce their use have been put in place.

The first step in the strategy to reduce single-use plastic packaging is to replace it with recycled plastic. The second step, when possible, is to remove them or replace them with paper or cardboard. Finally, a new innovative solution with plastic-like properties is being considered.

### ○ Regarding the polybags produced:

- Elimination of plastic polybags

This year **Damart** has launched a new plastic-free packaging, in recyclable cardboard for the whole underwear collection available in stores since July 2021.

The first **Damart**, non-sensitive textile products without polybag have been delivered. More than one million pieces were delivered with cardboard or kraft packaging.



**Damart** has also committed to join the joint action of the Fashion Pact called «Paper based polybags alternatives». The idea is to join forces with other brands in the sector to find the best alternative to traditional plastic polybags. Surrounded by the (Re)set teams, large-scale tests will be carried out to find a sustainable and economically viable solution.

The first working groups took place in June in order to define the specifications of this alternative, which should see the light of day in early 2022.

# LIMITING AND ELIMINATING PACKAGING WASTE



For its part, **Afibel** has conducted an initial test in the household linen sector, delivering without a polybag. The test took place during the spring-summer season and involved 3 references for a volume of approximately 2,000 pieces. This test was successful and will be extended to the next seasons.

In addition, a letter was sent to all referenced suppliers specifying the obligation to use recyclable and recycled plastic from now on.

## • Improved Recycling of Plastic Polybags

On the other hand, in order to ensure the recycling of plastics at the warehouse, since September 2019, the plastic bags of **Damart** textile articles stored in France are removed before being sent to stores. They are then compacted in a warehouse and sent to a plastic & cardboard recycling company. This represents approximately 15 tons of plastic per year that is now recycled.

Finally, **Damart** and **Afibel** took part in the writing of the white paper on polybags entitled - Mode sans plastique (Fashion without plastic) - and published by Fashion Green Hub. This white paper presents the concrete solutions tested and implemented by the 14 member-companies of the working group, which have made it possible to significantly reduce the volume of polybags used by the brands.



## ○ Concerning films around letters and catalogues



All the Group's subsidiaries are working to eliminate plastic film from mail and catalogues.

- At **Coopers of Stortford** since 2020, 5 tons of plastic have been avoided each year thanks to the sending of almost 3 million letters and catalogues without plastic film, thanks to a process of printing the addresses directly on the catalogue.

When plastic films are still used for letters, they are made of 100% recycled material, and comparative tests have been carried out with biodegradable plastics but also by integrating promotional offers printed directly inside the catalogue.



- - At **Damart France**, since January 2021, more than 500,000 letters have been sent without plastic. Made of biodegradable and recyclable paper, this innovative packaging protects the documents sent to customers and ensures the envelope holds shape and remains attractive.



- The **Damart UK** subsidiary has also written its plastic reduction trajectory for each customer target (new, classic, and modern) committing to the substitution of virgin plastic with bioplastic by 2022.

### ○ Regarding shipping packages to customers and customer returns:

#### • Actions implemented by Fashion brands

Since November 2020, **Afibel, Damart France and Damart Belgium** use only plastics with a high recycled contents to send parcels to their customers and to reintegrate returns into their stocks. This is currently being rolled out at **Damart UK**. This is a first step towards finding the least environmentally damaging alternative.

A first test of 50,000 pieces shipped in paper bags by **Damart France** took place in early June 2021. A customer telephone survey is underway to draw the first lessons and to adapt this package as well as possible to a quality delivery to our customers. Following the analysis of this survey, this paper package will be extended to **Damart UK and Belgium**.

#### • Actions Implemented by Home & Lifestyle Brands

At **3PAGEN** with the introduction of the new men's catalogue, it was decided to send all items in cardboard boxes instead of plastic packaging. 41,000 cardboard packages were sent to customers. This new parcel concept has saved over 3,000 kg of plastic.

As of August 2020 **Coopers of Stortford** has replaced customer shipping bags with fully recyclable PE plastic.

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As a result of these initiatives, the total volume of plastic used in the business has decreased by approximately 20%.





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**PAI**

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**TO**

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# RT II : COMMITTING PEOPLE



## Ambitions :

1. Develop the most important capital, the human element and the CSR culture at the heart of the Group and its ecosystem
2. Working in long-term partnerships with suppliers who share the Group's ethical requirements
3. Apply the principles of fair practice and ethical communication

**À 2022 :** 80% of purchasing volume from audited factories.

**À 2030 :** 100% of purchasing volume from audited factories et 100% of employees committed to CSR.



# COMMITTING TO PEOPLE

## Employee Engagement

The deployment of the Change Our World program is based on the involvement and contribution of each employee. This includes training, awareness-raising, internal communication and the organization of forums for the exchange of best practices among the Group's brands.



 <b>CHANGE OUR WORLD FORUM</b> AGENDA damartex group	<b>INTRODUCTION</b>		14:00
	<b>CHANGE FOR OUR PLANET</b>	<b>ZERO PLASTIQUE</b>	14:15
		Projets FAB - Julien CHAPPUIS Projets Zero Plastic Damart UK - Andrew BEADLE Action commune Fashion Pact - Julien CAUCHE	
		<b>PRODUITS ECO-FRIENDLY</b>	14:50
		Upcycling avec Modalisme - Amlie GUIVIER Etude clientes "Garantie à vie" - Agathe LEURENT	
		<b>EMPREINTE CARBONE</b>	15:15
		Ateliers et actions Damart UK - Ben NORTHROP	
		<b>PRODUCTION RESPONSABLE</b>	15:25
		Actions chez DMT - Charline MEURISSE & Sami NAJJAR	
		<b>BREAK</b>	15:40
	<b>01</b>	<b>ACHATS RESPONSABLES</b>	15:50
		Tracabilité des importateurs - Emma GOLDING Résultats de la campagne d'audits 2021 - Anaël GILLOT	
		<b>MARKETING ETHIQUE</b>	16:10
		Ateliers de brainstorming - Bérénice MAITREPIERRE Sensibilisation clientes - Louise North	
	<b>02</b>	<b>ON SENIORS'SIDE</b>	16:30
		Projet Silverfourchette Damart FR - Isabelle PICARD Projet Damart UK - Emma O'LEARY	
		<b>CONCLUSION</b>	16:55
	<b>03</b>		

A groundbreaking internal event was held in December 2020: the Change Our World forum, which brought together more than 250 group employees. 15 speakers were able to highlight good practices implemented by each brand (concerning plastic reduction, eco-design and product recycling, supplier sourcing, customer communication and employee commitment) that can be replicated in other brands.

The Damart teams have also decided to organize a forum dedicated to the brand in July 2021.

The prizes obtained such as the Mobility Challenge (4 times), the HR awards (Damart), or the Certificate of Appreciation (DMT) from the Tunisian Ministry of Social Affairs allow to recognize the efforts made by the employees, and the work that has been done.







This is why we participated for the first time this year in the 27th edition of the Trophées de l'Economie Responsable (Responsible Economy Awards) organized by the Alliances Network, which rewards innovative companies

and organizations committed to the responsible economy in the Hauts de France region. We are proud to have been selected from among the fifty or so applications for the final stage: pitching in front of a jury of professionals. The results will be shared next November.

Recognition by peers at external events thanks to the testimonies of project leaders is the ultimate recognition of a successful CSR policy. This year, the stage in the Tour de France of the Global Compact organized by Damartex in partnership with the Alliances Network, was dedicated to biodiversity. More than 80 people were present to listen to the testimonies of the region's companies.



This has inspired Afibel to create a working group whose objective is to develop its outdoor areas into spaces conducive to exchanges and respect for nature. Projects for the installation of nesting boxes, insect shelters, and the creation of orchards and vegetable gardens are currently being implemented.



Since 2019, the Damartex group has gradually embarked on a transformation process by reinventing its operating methods. This approach depends on the women and men who make it successful every day.

The Damartex Group has 3,235 employees as of 30 June 2021, 87% of whom are on permanent contracts.

By privileging the autonomy and fulfilment of its employees, Damartex's ambition is to gain every day in performance and agility. This requires the development and strengthening of a recognized employer brand, the ability to detect talents and help them grow by supporting them and enabling them to grow in a secure environment, where it is pleasant to work and where everyone has a chance.

Moreover, the average number of years of seniority this year was 9 years, which demonstrates a real attachment of colleagues to the various brands.

## Employer brand

The financial year was marked by multiple initiatives aimed at raising awareness of the identity of the **Damartex Group** and its brands:

- By reflecting on the Group's employer promise, which is currently being drafted.

At **Afibel**, the collaborative charter was written after several weeks of collaborative work involving employees from all departments. Its name is EFE! (sounding like Effect in French) ... for a Motivating, Facilitating and Enterprising effect!

These are the common key postures in line with the values that the employees share on a daily basis to meet the challenges of Afibel. Through these 3 key roles, the pleasure of collaborative work and openness to new ideas are cultivated, and the spirit of initiative and innovation are encouraged... all in a human environment conducive to team spirit, simple exchanges, sharing of best practices and listening.

- The development of the new website with a career page (<https://damartex.com/contact/>) that highlights the retail jobs and the Group's specificities, and disseminate its job offers..
- By launching communication campaigns aimed at the general public to promote job offers via social media (LinkedIn).
- By developing relationships with schools: presentations in higher education cycles mainly to raise awareness of the retail jobs and the Group's international presence to young graduates.



- By setting up a system of co-optation thanks to a specific app: **Connect**. It helps develop co-optation but also increase the Group's visibility on social media by illustrating the values, actions and engagement of the teams in customer satisfaction.



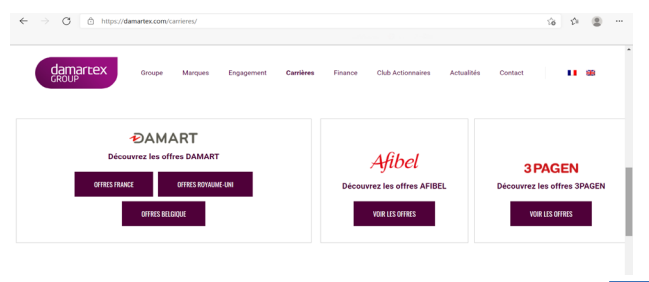
As it does every year, Capital magazine has unveiled its exclusive list of the 500 Best Employers in France. Thanks to these actions to promote the employer brand, **Damart France** received an HR award by being ranked 11th best employer in the Clothing and Accessories category (Capital ranking).

## Recruitment policy

Within the **Damartex group**, our employees are curious, involved, versatile, creative and autonomous. More than a diploma and beyond a profile, the Group's brands are recruiting personalities who will be able to take part in its transformation.

All the brands are committed to applying an equal opportunity policy at all stages of recruitment and selection and to promote internal mobility. At **Damart France and DSB**, a training course for managers who recruit is being written.

In 2019 for the first time all colleagues had access to all Group job vacancies. The international mobility procedure and a mobility charter have been drafted. Over the period, 40 employees were transferred between the Group's brands.



Finally, as part of its policy of integrating young people, the Group is developing sandwich course programmes and giving young people access to a first professional experience. Programs to welcome and integrate sandwich course students are in place in all entities.

- Group turnover rate: **10%** (2019-2020: 9.18%)
- Number of permanent hires during the 2020-2021 financial year for the Group: 289 (FTE) (**2019-2020: 249**)

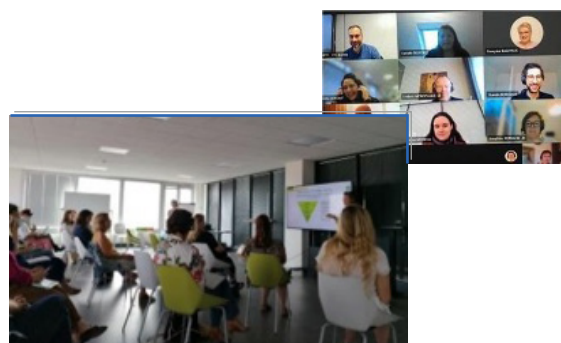


## Training policy

The acquisition and development of skills are essential levers for the success of the Group's transformation strategy. Thus each brand offers everyone all the keys to their success by providing a number of training schemes to develop their skills. To deliver these training sessions, each brand uses external service providers who are experts in their fields, but also internal trainers who are keen to share their know-how.

Individual training needs are identified during annual interviews with managers, while collective training needs within a department or across a brand or group are defined during a training review. The training plans are then built, the budgets arbitrated and validated, and the training courses given.

Among the group and cross-functional training courses, this year we can note the e-learning training in cybersecurity (in particular phishing techniques), the MS Teams training, and the eco-design training for product teams. It should be noted that at Damartex UK, compulsory training courses (particularly in law) are delivered to each newcomer.



- Number of employees who have attended at least one training course at Group level: **1926**
- Training budget at Group level: **€877,000**
- Average number of training hours per Group employee: **9 hours**

## Well-being at the Workplace

The challenge of well-being at work is a sine qua non condition for the future of the Group, a guarantee of performance, competitiveness, but also of attractiveness towards new talents. For the Group, the definition of quality of work life is a voluntary and sustainable approach of the company, a key factor of success today and tomorrow.

Indeed, the success of the company's transformation plan begun in 2019 necessarily depends on the involvement of employees. They work all the better if they feel good, which obviously contributes to our customers' satisfaction: **so it's a virtuous circle.**

At **Afibel**, 7 levers have been identified as factors in the quality of work life. This is the atmosphere at work, working conditions, the work/life balance, the role of each person in the company and the autonomy they have to exercise it, internal processes (and their efficiency), recognition (individual and collective) and the pride of belonging to **Afibel**.



The first projects were undertaken with Afibel's teams concerning the Atmosphere and Working Conditions levers (considered a priority by colleagues). With the help of a questionnaire, motivated employees were able to express themselves and get involved in working groups on the most popular themes, which are: outdoor facilities, sports, relaxation and themed activities. The idea is to have identified the priority projects for each group in late 2021.



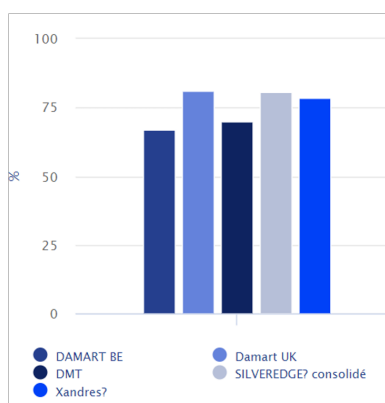
In the context of the transformation conducted in the midst of the health crisis, a conference on optimism was offered to all employees of the **DSB and Damart FR** entities and the management teams of Afibel. It was a rejuvenating moment, full of energy and vitality, which invited everyone to change their perspective and to be nourished by the positive elements around them!

Within the **Damart** support services entity, **DSB**, a working group was formed around the following themes: Right to disconnect, Work-life balance, Working in collaborative mode with adapted tools. Actions were also conducted during Human Week, which was held from 14 to 18 June as part of Quality of Work Life Week, on the theme of Working Together. Conferences, a career forum and informal exchanges were organized on this occasion.

## Employee Survey

Agility is the ability of an organization to satisfy its customers and employees while adapting to changes in a timely manner. As part of «Transform to accelerate 2.0», **Damartex** has set itself the objective of evolving and improving its agility by translating this desire into concrete action in our daily lives. A survey is conducted about twice a year to find out how employees feel about the concept of agility in their professional environment.

In order to measure the improvement in the quality of work life, a new questionnaire was developed in 2020. It was distributed to all **Damart BE, Damart UK, DMT, SilverEdge and Xandres** employees. In view of the difficult situation related to the restructuring, it was not circulated at **DSB** and **Damart FR**.



In September 2021, the Damartex & You survey will be conducted for all entities of the Damartex Group. This is a questionnaire available online to all employees, comprising 24 questions divided into the 7 QWL levers mentioned above. The results of the survey will be compared with the results of the survey conducted in 2017 in all Damartex Group stores. The overall Group satisfaction rate obtained at the time was **85%**.

## Work From Home

Work-from-home was already practiced in some of the Group's companies before the lockdown. **Damart France, Damart Belgium**, Damart's support services entity (**DSB**), and **3Pagen** had set up an agreement on work-from-home at a rate of 1 to 4 days per month. DSB, the precursor entity, signed it in 2017. Further discussions are underway to review the number of days allowed as a result of the new work patterns.

The Covid-19 crisis has accelerated the evolution of this operating mode with the generalization of work-from-home and the development of digital collaborative work, notably via the Teams tool, which is being rolled out across the entire Group.





## Employees' health and safety

The Damartex Group undertakes to scrupulously apply the regulations in force regarding the health and safety of people at work, at head offices, in stores and warehouses, whatever the country. Moreover, the accident rate is low.

- Group absenteeism rate: **7%** (2019-2020: 6%)
- Rate of absenteeism due to illness and work-related accidents Group: **6%**
- Number of accidents resulting in lost time (1 day or longer) at Group level: **54**
- Workplace accident frequency rate (Group): **8,87**
- Workplace accident severity rate (Group): **0,22**

In France, each workplace accident is analysed, as soon as it occurs, by the department manager and a member of the CSSCT (H&S and working conditions committee). These accidents are then studied at the CSSCT's quarterly meetings, in the presence of the occupational physician, in order to define the measures to be put in place to prevent their recurrence. The analysis of these accidents also allows for the Single Risk Assessment Document to be updated regularly. A commission on psychosocial risks has been set up and its members trained.

At **DSB**, the team of first aiders was renewed following restructuring and employee departures. Eight employees were trained for two days in first aid. They each have the necessary equipment to provide first aid while waiting for an ambulance. The procedures have been reviewed and are available on Teams.



This year was marked by two major events related to the health crisis: furlough (in stores following their closure) and the redundancy plan. Training in the prevention of psychosocial risks has been organized for vulnerable cases.

# HAPPY AND TALENTED EMPLOYEES

In Tunisia, the Health and Safety policy is led by the Human Resources Department and is under the slogan «Safety is our Priority». It is based on:



- Improving working conditions, particularly in terms of workstation ergonomics, suitability and maintenance of equipment and tools, cleanliness of workshops and hygiene of premises;
- The organization of first aid and firefighting training courses;
- The organization of weekly awareness sessions: «Safety Wednesday» in the form of videos relating to safety in the workplace (handling, falls, staff empowerment...);
- The presentation of the safety policy during the integration of each new recruit; and
- The organization of periodic medical checkups every other week (Occupational physician)

## Social Dialogue

Group companies are constantly seeking to maintain close links with social partners. Any opportunity to exchange with them is exploited to keep in contact and maintain the dialogue. Exchange and work meetings are organized every quarter with representatives of the trade unions to inform them about current issues, the life of the company, the progress of business, and to gather their opinions, requests and expectations. Meetings or appointments are also held on an ad hoc basis, depending on current events or topics that the trade unions wish to raise.

This year, this social dialogue focused on the Employment Protection Plan. Dalmartex was strongly impacted by the Covid-19 crisis during the first lockdown, 170 stores were closed for two months resulting in a significant slowdown of its activity (-23.9% from March to May 2020). This exceptional situation, which follows two years marked by industrial action in France, prompted the Group to accelerate its transformation initiated with the «Transform to Accelerate» plan, which had begun to produce its first effects at the start of the 2019-2020 financial year.

This strategic plan is based on 5 axes:

1. Image modernization
2. Digital transformation
3. Development of new activities
4. Agility as a priority
5. «Change our world»: Implementation of the CSR ambition.

Damartex has announced its intention to refocus its business portfolio on a limited number of brands to be able to ensure the necessary investments for their modernization and digital transformation.

To support the strategic plan and accelerate the agility and efficiency of the different brands, Damartex has initiated an information-consultation process with the different SECs (Social & Economic Committee) of the group.

Damart Serviposte, DSB and Afibel were thus forced to undertake a major reorganization of their activities in 2020 in order to adapt their structure in France to this new, very deteriorated context.

The consultation process that has been in place at Damartex for many years has enabled us to maintain a constructive and quality social dialogue between the social partners and the General Management. True to its culture of dialogue and societal responsibility, Damartex will do its utmost to minimize the impact on employment and provide quality support to all its employees.

Negotiations were undertaken as part of a Draft Employment Protection Plan, with the implementation of measures allowing a return to employment, on the one hand, and the possibility of voluntary redundancy on the other. These negotiations led to the signature of a majority agreement on 8 September 2020 with the company's main trade unions and validated on 22 September by the government through DIRECCTE.

The work carried out has enabled us to transform the initial plan of 195 job cuts, including 159 in France, and 25 job creations, into a plan of 128 job cuts and 28 creations.

The main objectives of the measures were to:

- Find solutions to minimize the impact on employment, in particular by giving priority to internal redeployment and encouraging voluntary redundancies, thus limiting, as far as possible, the number of forced redundancies.
- Have, given our context, accompanying measures that best meet the needs of employees.



## Diversity and equal opportunities

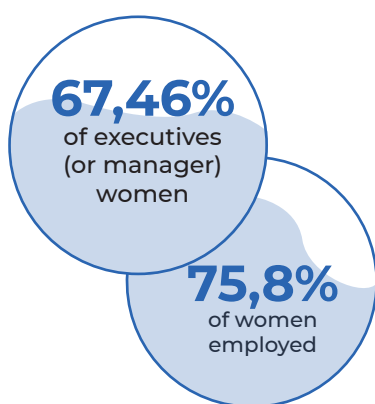
The **Damartex Group** is very attached to valuing personalities to develop a culture of openness and has sought to make differences an opportunity via an egalitarian policy (gender mix, equal treatment, employability of seniors, etc.)

- Percentage of seniors in the Group workforce: **22,25%**
- Average age of the Group workforce: **43 ans**



The Group's brands are committed to:

- Developing and promoting a culture of diversity and equality, fairness, integrity and dignity;
- Preventing all forms of discrimination and address these problems in a consistent, timely and effective manner; and
- Raising awareness and training colleagues on equality and diversity.



The Damartex Group's workforce is characterized by a very strong presence of women since women represent 75.8% of the employees on 30 June '21. 67.46% of the executives (or managers) are women.



## Gender equality index

The French government has, through the law on freedom to choose one's professional future of 5 September 2018, sought to strengthen existing legal provisions concerning professional equality between women and men by instituting a gender equality index. The criteria are as follows: pay gap, gap in the distribution of individual increase rates, distribution of promotions, gap in increases upon return from maternity leave, gender parity among the highest paid.

- For **Damart France** and **DSB**, it was not measurable this year due to the salary freeze.
- For **Afibel**, the figure for this financial year is 86 compared with 99 last year.
- **Damart Belgium** also chose to calculate it, which allows us to display a gender equality index this year of 91.

## People with disabilities

The Group's support approach also concerns people with disabilities, even though significant progress remains to be made in this area. The main lines of actions are raising employee awareness and keeping people in employment. Scheduling arrangements for disabled colleagues have been put in place to encourage them to remain in employment (work not compulsory on Saturdays, flexi-time, etc.).

Percentage of employees with disabilities (in French subsidiaries): **6%**

Percentage of employees with disabilities at Group level: **4%**



# RESPONSIBLE PROCUREMENT

The [Damartex Group](#) subcontracts the production of the majority of its products. In this context, a significant part of the Group's societal impact depends on the activities of its suppliers and subcontractors. Risks related to purchasing are significant, due to the distance between Damartex's headquarters and the plants (quality, non-compliance, human rights violations), and could harm the Group's reputation and thus compromise its ability to attract new investors and employees.

## Organization of the supply chain

All of the group's brands pay great attention to the selection of suppliers by seeking recognized expertise for each type of product.

There are 1,361 Tier 1 suppliers at Group level. Some suppliers are common to several brands, but the disconnection between the information systems of each brand makes it impossible to identify duplications.

The country risk was assessed using the ICS Country Risk Mapping based on 9 criteria. Most countries are classified according to 3 levels of risk: risky, medium-risk, and low-risk.

*Share of purchase volumes by level of risk:*

	DAMART	AFIBEL	XANDRES	3PAGEN	COOPERS OF STORTFORD	SEDAGYL	DELABY
Risk countries (1)	71%	35%	39%	39%	90%	6%	15%
Medium-risk countries (2)	20%	18%	44%	-	-	-	20%
Low-risk countries (3)	8%	46%	18%	43%	6%	84%	65%
Countries without ICS rating	1%			18%	4%	10%	

All of the Group's brands maintain special relationships with their suppliers, who are long-standing partners.

The rate of new suppliers to the Fashion brands (Damart, Afibel and Xandres) is [5.5%](#).

**5,5%**  
of new  
suppliers





Brands maintain different types of relationships with their suppliers according to the typology below:

*Typology of suppliers for fashion brands*

	DAMART	AFIBEL	XANDRES
Intermediaries	47%	-	21%
Importers/Trading	22%	40%	
Plants directly	17%	51%	69%
Brands	5%	4%	10%
Others	-	5%	-

To improve the control of its supply chain, Damart's Purchasing Department defined its responsible purchasing policy in 2013 : **the Damart Way**. In 2017, it was rolled out to all the Group's brands and became the Damartex Way. The responsible purchasing policy is therefore a Group policy that is managed by the Group CSR Department.

In 2018, **Damartex** opened its first Home & Lifestyle buying office in Shanghai. The Group's presence in China through this office has enabled the Group to strengthen the traceability of the H&L product supply chain with local teams travelling to production sites. A bi-monthly review of Responsible Purchasing indicators (site visits, checklists, questionnaires and social audits) is performed with the CSR team through videoconferences. To go further, the BO team (director, quality controllers and merchandisers) wanted to receive training in Chinese in order to better complete the factory checklists during visits, and to prepare the factories for future ICS audits. This training course, conducted by AQM, was held in early July 2021.

For the **Home & Lifestyle brands**, the ambition is to develop an increasingly significant share of purchases going through the Buying Office presented below:

*Share of purchase volume via the Shanghai Buying Office for Home & Lifestyle brands*

	3PAGEN	COOPERS OF STORTFORD	SÉDAGYL	DELABY
Shanghai Buying Office	36%	26%	4%	2%

# RESPONSIBLE PROCUREMENT

## Damartex Way

Working in close, long-term partnerships with suppliers who share the Group's ethical requirements is the basis of this approach. DAMARTEX wants to be able to guarantee its customers and employees



that the men and women who have manufactured its products are treated with respect and that this manufacturing process tries to limit the negative impact on the environment.

It rests on 3 pillars: **the Sustainable Purchasing Charter, the involvement of buyers and social audits.**

- **The Sustainable Procurement Charter:**

The Group has written its own charter for responsible purchasing, which incorporates the ten principles of the United Nations Global Compact. Within the Charter, the Group asks its suppliers to ensure the effective application of fundamental workers' rights in compliance with the International Labour Organization (ILO) conventions and national legislation. The charter is appended to the general terms and conditions of purchase of the various brands. The target signature rate is 100%. The Xandres and Sedagyl companies have embarked on the approach more recently and are following the same trajectory.



### CHARTRE DES ACHATS RESPONSABLES



Cette charte a été rédigée en anglais en langue française.  
Toutes les autres versions sont des traductions de cette version initiale. En cas de doute ou litige, la version française est la seule référente.

The charter is appended to the general terms and conditions of purchase of the various brands. The target signature rate is 100%. The Xandres and Sedagyl companies have embarked on the approach more recently and are following the same trajectory.

*Rate of signature of the charter on the subcontracting activity (whose purchasing volumes in risky countries are higher than 20%)*

DAMART	DMT	AFIBEL	XANDRES	3PAGEN	COOPERS OF STORTFORD
99%	37%	94%	40%	28%	97%

*Rate of signature of the charter by suppliers of the production activity:*

DMT
37%



- **Buyers' involvement:**

The purchasing teams have been trained to tour factories «with CSR in mind». Each time they go on a purchasing trip, they are asked, while they are there, to tick a checklist that lists the prerequisites demanded by the Group in terms of employee health and safety. These prerequisites constitute a first assessment of the working conditions present in the supplier's plants and make it possible to identify non-compliance and areas for improvement. A supplier self-assessment questionnaire has also been developed and is sent to suppliers through the procurement office.

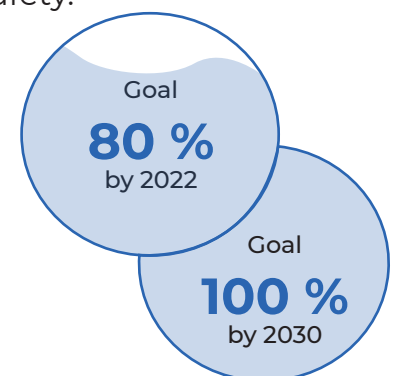
- **Social audits :**

**Damartex** has been a member of the Initiative for Compliance and Sustainability (ICS) since January 2017, Damart since 2017, Afibel and 3Pagen since 2019, for carrying out social audits. The 48 member companies that take part in this initiative are working together to improve working conditions for people in the workplace in a sustainable way and to provide responsible support to suppliers, so that they can become active players in their progress. The social audit follows a methodology common to all companies and is always at the initiative of the member company and not the supplier in order to ensure an unbiased result.



The topics covered are management and traceability, child and young worker labour, forced labour, discrimination, disciplinary practices, freedom of association, working time, compensation and benefits and health & safety.

The Group's ambition is to have **80%** of the products put on the market coming from audited factories by 2022, and 100% by 2030. For this purpose, the framework has been defined as follows:



- Type of audits accepted: ICS; BSCI (Business Social Compliance Initiative) and SA 8000 certificate
- Audit acceptance rule: semi or unannounced, completed within the last 2 years (less than 1 year in the case of BSCI C), with an ongoing corrective action plan if it is not A or B.

The CSR department, in collaboration with the purchasing department, maps out supplier risks and prioritizes the factories to be audited according to several criteria:

- Country risk
- Supplier's weight in purchasing volume
- Availability of a valid social audit



# RESPONSIBLE PROCUREMENT

## Focus on the Fashion division's brands

	DAMART	AFIBEL	XANDRES
Audits performed	174 audits (including 169 ICS)	61 audits (including 54 ICS)	3 audits (including 2 ICS)
Volume of purchases from audited plants	77.6% (61.5% in 2020)	38.5% (19% in 2020)	21%

### Share of purchasing volumes from audited factories by risk level



## Focus on the Home & Lifestyle division's brands (excluding SilverEdge)

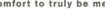
	3PAGEN	COOPERS OF STORTFORD
Audits performed	19 audits (including 6 ICS)	50 audits (including 4 ICS)
Volume of purchases from audited plants	32% (4.4% in 2020)	30% (36% in 2020)

### Share of purchasing volumes from audited factories by risk level







## Modern Slavery Act

The two English subsidiaries, **Damartex UK and Coopers of Stortford**, adhere to the Modern Slavery Act and publish the MSA Statement on their websites, including all supplier awareness, training and internal communication actions.




the comfort to truly be me



 Quick Order
  Email sign up
  Request a free catalogue

CHRISTMAS WOMENS MENS LINGERIE & NIGHTWEAR FOOTWEAR HOME & GARDEN THERMALS SALE

# Modern Slavery Act



## Modern Slavery Statement

Year	Document	Link
2020	Damart Modern Slavery Statement 2020	<a href="#">PDF Link</a>
2019	Damart Modern Slavery Statement 2019	<a href="#">PDF Link</a>
2018	Damart Modern Slavery Statement 2018	<a href="#">PDF Link</a>
2017	Damart Modern Slavery Statement 2017	<a href="#">PDF Link</a>
2016	Damart Modern Slavery Statement 2016	<a href="#">PDF Link</a>

At **Damartex UK** for example, all employees are made aware of these issues by signing the Code of Conduct (with a chapter dedicated to «Modern Slavery»), the explanation of the Transparency process and the «Modern Slavery» chapter, and an E-learning module. Finally, raising suppliers' awareness of these issues involves signing the Responsible Purchasing Charter (with a chapter dedicated to Modern Slavery).



## Anti-Corruption

With a broad presence in Europe, Tunisia and China, and with a business model based on the purchase of products and then resale, the Group could face situations of corruption or conflict of interest. These situations could be illustrated by an arrangement during a price negotiation, favouring a supplier during a call for tenders, or increasing purchases from a supplier in exchange for compensation.



Without waiting for a potential occurrence of these threats to the conduct of business, the Group has always placed ethics at the heart of its relations with its employees, third parties and stakeholders and, in response to the obligation to comply with [Sapin II anti-corruption regulations](#), has begun to formalize its practices.

The Group has therefore been working for nearly two years on compliance with these regulations and has carried out a certain amount of work on the pillars with which it must comply.

The annual campaign to update the corruption risk map for the Group including all subsidiaries, including Santéol and [Damartex Shanghai](#), was launched in July 2021. This communication has been made to the Executive Committee and the work will be conducted in the fourth quarter of 2021 (planning is underway). To this end, interviews will be conducted with the directors and managers of the subsidiaries to discuss the relevance and updating of the matrix.



## ○ Whistle-blowing system:

The Group has developed its own whistleblower system called Transparency and which is available at the following address:

[transparency@damartex.com](mailto:transparency@damartex.com).

This system was launched Group-wide in autumn 2018 in the six Group languages (French, English, German, Dutch, Chinese and Arabic) and was the subject of an internal communication campaign (posters on sites and circulation of explainer brochures).



This system is also available to external suppliers and customers through a brochure distributed at their discretion or through a communication on the Group's website.

There are four types of alerts that can be traced through Transparency:

- Fraud (corruption acts, conflict of interest or influence peddling),
- Theft of confidential data (customer or employee data),
- Moral or sexual harassment of a Group employee or service provider, and
- Unethical behaviour.

Alerts received are handled internally by the Group's Legal Director and the Group's Chief Sustainability Officer.

## ○ Code of Conduct:

The code of conduct has also been implemented for the Group's French subsidiaries. This code has regulations. The extension of this code to **Santéol** is in progress.

## ○ Sapin II training

In terms of training, an initial face-to-face training session was given by **Middlenext** in January 2020 at the Group's head office for nearly one hundred employees in so-called exposed functions from the Group's French and Belgian subsidiaries and also from the head office.

For the other foreign subsidiaries and other French colleagues, given the health context in the spring of 2020, the e-learning solution was preferred. This system, developed by **Middlenext**, was to be deployed from autumn 2020; technical problems have prevented it from being deployed as desired. However, a compliance tool used by the IT department for cyber security training should be used to host this e-learning course.



middlenext

### Sommaire

#### 1- Définition de la corruption

#### 2 - Le contexte politique international

#### 3 - La réponse française : la loi Sapin 2

#### 4 - Les 8 mesures de la loi Sapin 2

4-1 - Le code de conduite anticorruption

4-2 - Le dispositif d'alerte interne

4-3 - Une cartographie des risques

4-4 - Des procédures d'évaluation des tiers

4-5 - Des procédures de contrôle comptable

4-6 - Un dispositif de formation

4-7 - Des sanctions disciplinaires en cas de violation du code de conduite

4-8 - Contrôle et évaluation des mesures mises en oeuvre

## Choosing Responsible Taxation



The **Damartex Group** is transparent with regard to its taxation and wants its tax policy to be fully in line with its corporate responsibility strategy. The Group has therefore adopted a citizen's attitude that consists not only in complying with legislation but above all in making a fair contribution to the countries in which it operates. Thus **Damartex** pays the taxes due in the countries where it is established. It thus contributes to their development and to maintaining a stable economic environment in these countries, with quality public services (health, education, safety, transport, etc.) that benefit everyone, including the Group itself.

## Data Privacy

The **Damartex** Group constantly strives to maintain trusting relationships with its customers in all areas, including the processing of personal data.

In January 2021, the organization on data protection has been redesigned, and is articulated as follows: DPOs will have a specific role per Business Unit. Their role is to advise and provide independent oversight on the implementation of privacy regulations.

The responsibilities of the DPO are as follows:

- Informing and advising the controller of their obligations under the Data Protection Act (the controller is the name given by the GDPR to the corporate officer or director of each BU who has ultimate responsibility, not the DPO)
- Monitor the BU's compliance with all data protection legislation, including audits.
- So act as a contact point for requests from individuals concerning the processing of their personal data and the exercise of their rights.
- Cooperate with data protection authorities and act as a point of contact for processing questions.

Damart France's personal data policy is available on request in stores, on the Web (dedicated page in French: [www.damart.fr/vos-donnees](http://www.damart.fr/vos-donnees)) and by telephone (voice server giving access to different levels of information when ordering: Tel. +33 3 20 49 16 00 in French). Thus, customers can be informed about the processing of their personal data and the rights resulting from it.

The Group closely monitors the evolution of the exercise of the rights of data subjects (customers and prospects), particularly with regard to the exercise of the right of deletion and the right of access. The figures are stable, and semi-automated processing makes it possible to respond to these requests within the time limits imposed by the Regulation (one month), including during the sensitive period of lockdown. As a contact for the authorities in each country, the Data Protection Officer regularly corresponds with CNIL (French Data Protection Authority) to work towards improving procedures for the Group's customers and prospects, as well as with the APB (Belgian Data Protection Authority).



# THE GROUP'S RESPONSIBLE COMMUNICATION APPROACH

**Damartex** attaches great importance to its communication strategy towards its customers: **positive, clear and helpful**. Brands are working to improve their image on all channels (marketing, press relations, social media...).

**76%** of the activity is mail order (catalogue and web). This method of retail is accompanied by strong direct marketing that triggers the purchase with regular mailing shots, newsletters, special offers and promotional items. The group's brands want to optimize relations with their customers by improving the marketing content, and several orientations are therefore being worked on.



- **Contact with customers:** the modernization of the customer experience involves capitalizing on human relations.

The sending of catalogues and mailing shots at Group level every year creates a privileged contact with customers and a certain close relationship. **Damartex's** distance mail order brands all have a call centre that welcomes customers in a personalised manner. On a daily basis, Damartex employees are in direct contact (stores, call centres) with nearly 40,000 senior citizens, thus enabling them to build a real, close relationship with customers.



## DES SERVICES À LA CARTE !

Vous adorez vous faire chouchouter,  
qu'on s'occupe de vous, qu'on vous facilite la vie ?

### CHEZ DAMART, NOUS PENSONS À VOUS !

Nous vous proposons des services toujours  
plus innovants pour vous simplifier la vie  
et vous offrir une expérience shopping personnalisée.  
Alors, découvrez-les et profitez-en vite !

# Nouvelle Collection Prêt-à-réchauffer

**THERMOLACTYL**

**DAMART  
S'ENGAGE POUR  
L'ENVIRONNEMENT**



The CSR communication has been visible on the Damart commercial website since last September. Behind the heading «Damart s'engage» (Damart commits itself), customers can now discover the application of the Change Our World approach. Under the title «Dis-moi Damart, tu fais quoi pour demain ?» (Tell me Damart, what are you doing for tomorrow?), consumers discover the different pillars of the CSR approach: human, environment, innovation and well-being, and the more responsible use of products.

As for the Group's other brands, **Xandres'** CSR reporting is currently being written and will be available via a web tab behind the «For Our Future» banner. The **Afibel** teams are currently drafting the communication of CSR actions via their website.

This year again, the Damart and Afibel brands took part in the **#RRR** (Repair, Reuse, Recycle) communication campaign carried out by Refashion in France from 2 to 10 October.

By relaying the communication contents carried out on the brands' social media (Facebook and Instagram), the aim is to make the consumer aware of the stakes of the end of life of textile products. The campaign was a success as more than 100 brands took part and reached more than 30% of the population (an extra 3.2 million people compared with last year) through their mobilization. On social media, there were no less than 21 million impressions - i.e. reactions - (of which 20,000 were made by **Damart** and **Afibel**).



[illegible]



Brands also strive to always communicate a positive image of seniors. Each brand deploys its own direct marketing strategy:

- **Sédagyl** focuses on the development of a qualitative and rewarding relationship which is reflected in regular direct marketing and a local call centre



- **3 PAGEN** wishes to optimize the relationship with its customers by improving its marketing content, and its SEO activities, by creating more opportunities for contact with customers through special newsletters and by strengthening the web approach.



- **Coopers of Stortford** offers its customers an attractive and interactive omnichannel shopping experience, with promotional items to be won and all sorts of commercial offers (promotional code, discount, games, free shipping, etc.)



- **Xandres** only offers discounts during pre-sales and sales periods. Only two promotional items are offered per season to loyal customers.



- **Afibel** fulfils its mission by paying extreme attention to the quality of the relationship with its customers, by making it super easy to purchase (simple and user-friendly website, known and recognized customers, easy return, easy payment...) and by offering a fun promotion system. New this year, Afibel has started Shopping Live and is trying out this version 4.0 of TVshopping, coupled with a chat on social media and interactions via Zoom, Facetime or WhatsApp with its community.



- **Damart** develops an omnichannel and personalised customer relationship, whatever the point of contact, and cultivates its proximity to customers by deploying a new «Personal Shopper» and in-store Click and Collect service.







**PAI**  
**TO**





# RT III : COMMITTING SENIORS



## Ambitions :

1. Propose an inclusive, state of the art offer for the 55+
2. Generate customer satisfaction wherever the Group operates
3. Beyond business, acting for the over-55s through the On Seniors' Side Foundation

**À 2022** : 100 projects sponsored by the On Seniors' Side Foundation

**À 2030** : Make the Group and its Foundation a key player in the inclusion of seniors.





# INCLUSION OF SENIORS

Committed to people over 55 (the «55+»), Damartex's mission is to offer them the best in progress, fashion and products and services that make everyday life easier.

From the outset, an emotional, complicit, authentic and lasting bond has linked all the Group's brands to its customers. Seniors are the Group's raison d'être. It is for them that all employees get up every morning. They inspire them and guide their daily actions.

It is in this spirit that Damartex has developed its non-statutory raison d'être, «On Seniors' Side», and has defined its vocation: to create and distribute specific products adapted to all seniors, from the youngest active to the oldest with a loss of independence.

- o **Home&Lifestyle brands** offer a range of products for decoration, cooking, gardening, mobility, health, etc.

**3 PAGEN**  
Pfiffig! Praktisch! Preiswert!



- **3 PAGEN** offers clever, inexpensive products to beautify the home and make life easier.

- **Coopers of Stortford** is dedicated to significantly improving the lives of senior citizens at home, with useful products that provide real added value in everyday life.



**SEDAGYL**  
Spécialiste de votre confort à domicile



- **Sedagyl** focuses on the support to older seniors. The company specializes in products and services that promote autonomy and ageing in place, and offers consumables (cosmetics, incontinence, etc.) as well as one-off investment products (chairs, walkers, etc.) and services (equipment rentals). As its ambitions to become the leader in ageing in place product mail order, the Sédagyl brand has created a marketplace in order to take a solid position in the ageing-in-place market for seniors.



- o The Fashion brands offer a unique range of products that place style, innovation and body shape expertise at the heart of their know-how.

- Damart is primarily aimed at active senior women and invests in Research and Development to offer more and more comfort benefits and support customers in their activities.



XANDRES  
BELGIUM



- Xandres is much more upscale and selective and is aimed at younger, more demanding and more affluent customers.

- AFIBEL offers inclusive fashion for all body types. This specificity is inscribed in the very history of the brand, which was born in 1954 and has always paid particular attention to the well being of people, whatever their figure. Thus, starting this year, the communication visuals include plus-size models.



Afibel

# INNOVATION TO SERVE SENIORS

The Damartex group s'est développé autour de la marque Damart, née d'une innovation textile l'iconique « Thermolactyl ».

The Damartex group has developed around the Damart brand, born from a textile innovation, the iconic «Thermolactyl».

**839**

innovative  
& labelled  
references

In fact, as an innovation champion, Damart has developed innovations and labels that guarantee benefits to those who wear its clothes or underwear. Today, this represents 839 references put on the market, i.e. 24% of sales.

The Research and Development Department is composed of 4 engineers, experts in their field, whose mission is to enable the Damartex group to strengthen its leadership position in the areas of «customer benefit» with:

- o Thermal comfort clothing (Thermolactyl® and Climatyl®),
- o Morphological comfort clothing (Perfect Body®, Perfect Fit®),
- o The comfort of shoes and walking (Amortyl®),
- o Body and skin care textiles (Thermolactyl Sensitive®).

## Research activities aim at:

- Conducting Research and Development projects in close collaboration with the academic world (universities, laboratories) and industrial leaders in their fields, in order to integrate into the product offering ever more innovative, high-performance technical solutions with high added value and differentiation for our customers.
- Developing increasingly effective testing tools and protocols that are as close as possible to the conditions in which the products are used, to provide customers with greater guarantees and select the most effective products,
- Support and train the product and sales teams to enhance and promote product innovations through the various distribution channels.



Over the past financial year, we have noted in particular the following challenges:

- Thermal comfort (in hot and cold conditions:
  - o Last year, the team developed an «intimate» mix with long-lasting, very high anti-odour performance (96% odour elimination), without any encapsulation or controversial chemicals. This year, in the continuity of this underwear, the Seamless degree 5 thermal underwear (exclusive and unique know-how on the market) has been developed for DamartSport®. These very high performance product develop-





ments will allow us to envisage significant improvements in **Damart's** «everyday» underwear ranges.

- In the continuity of the research on the reduction of the temperature felt in case of hot conditions, the development for **Damart** and DamartSport® of the «climatyl» labelled components (the counterpart of Thermolactyl when it is hot) makes it possible to propose to our customers more comfortable clothing when it is hot. The benefits supported by this label are the wicking away of perspiration, the neutralization of odours and the fresh touch.
  - Research is ongoing on «regulating» fibres, which provide warmth when it is cold and coolness when it is hot and thus guarantee the customer long-lasting comfort. This research is done in partnership with the French National Centre for Scientific Research. After very positive initial results from calculations and modelling, a prototyping phase and physical tests in the laboratory, the results of which seem very promising, are currently underway.
- Environmental issues:
- With the deployment of recycled fibres in Thermolactyl® under garments
  - With the recycling of Thermolactyl cutting waste at the DMT production plant.

In addition, for the 4th consecutive year, Marie France magazine wanted to reward brands and products that are committed to the well-being of consumers.

This year, **Damart** received the first prize in the «Textile» category with the Thermolactyl invisible range: high-tech tops that combine warmth and invisibility.

This range offers new second skin basics, available in 5 shades to suit all skin tones. A jury of experts awarded the prize to this innovative product on the basis of efficiency, well-being, innovation and eco-responsibility.



# PRODUCT QUALITY

To ensure the Group's quality approach while preserving the specificities of each sector and each brand, each has its own quality department. These teams are in charge of defining their brand policies, identifying and accrediting testing laboratories and for some of them, conducting their own quality tests.

For the **Fashion business**, **Damart's** approach is described below.

The claim of quality is one of the 5 pillars of the Damart brand and has made its reputation: «DAMART : a brand you choose for its Quality.»

This quality covers all components of the articles:

- Pleasant, resistant and easy to maintain materials; that last over time.
- Cuts designed to respect and enhance the body thanks to a team of technicians.
- Quality finishes: attention to detail in seams, linings, and accessories...

The Quality policy is based on the principle of continuous improvement, nourished by a virtuous circle between desired, delivered, perceived and expected Quality.

- **Desired quality** : all products and their components (Materials, Supplies, Accessories) are subject to precise technical specifications based on international standardized tests :
  - ▶ Strict compliance with current regulations (Reach; Pop; Safety, etc.)
  - ▶ Performance in use and maintenance
  - ▶ Durability
  - ▶ Truthfulness of claims (GOTS; Recycled; Antibacterial; Combed cotton...)
- **Delivered quality** : orders are subject to technical (Compliance with product specifications and manufacturing defects), regulatory (REACH/POP Directive), and logistical (Packaging and Delivery terms) compliance checks. All requirements are thus referenced in the Roadbook of the supplier portal. Conformité technique (Respect des spécifications produits),
- **Perceived quality**: meticulous analysis of returns, followed by seasonal action plans, Customer testimonials on our websites, Customer round tables (Customer Lounge), Competitive benchmarks, Exchanges with store saleswomen, NPS, are all ways to be as close as possible to customers.
- **Expected quality**: Depending on the level of customer satisfaction, the understanding of their requirements and their evolution, the technical specifications that are binding for the brand in terms of «Promise of Quality» are naturally evolving and updated every season.





This quality policy is the result of a 3-step process:

- ▶ The production launch agreement: it includes style validation, material validation (quality of use and care) and proper fit validation (fit of the garments).
- ▶ Compliance checks before shipment: 60% of orders have a final inspection report.
- ▶ Checking on receipt.

For the **Home & Lifestyle business**, the compliance of products placed on the market is checked on the basis of European and national regulations in the countries of sale, brand specifications and customer satisfaction. Regulatory documents such as CE, RohS, LfgB standards are verified and stored in the product management system to guarantee customer safety. Each delivery is subject to checks and testing protocols with acceptability thresholds that have been put in place and are reviewed annually. Tests are carried out randomly by third party inspection bodies.

On the other hand, the opening in 2018 of the «**Damartex Shanghai**» purchasing office for Home & Lifestyle products allows for a quality control at source with 2 quality controllers (QC) who regularly visit the production sites.

### Product health guarantee

As a retailer, the **Damartex Group** is responsible for all the products it brings to the market. The traded goods industry uses chemical substances to produce raw materials and finished products. For this reason, all suppliers must strictly comply with the regulations in force (For ex: REACH & POP regulation, cosmeto-textiles, biocides, etc.) and sign the required certificates.

In addition, the Group's brands carry out spot self-checks on deliveries upon receipt. The tests are carried out in third party approved laboratories.

In addition, the Group's brands carry out spot self-checks on deliveries upon receipt. The tests are performed in third party approved laboratories.

For the financial year 2020-2021 at the Damartex Group level, **0.10%** of the products tested were nonconforming, leading to a stricter monitoring plan with the suppliers concerned.

### Return Rate

The return rate is a good indicator of customer satisfaction with product quality.

Each season a multidisciplinary team analyses the highest customer return rates and carries out the necessary action plans with the suppliers concerned.

The analysis of these product return rates (excluding promotional items) enable quality teams to refine the requirements criteria

*Rate of return by brand for the 2020-2021 financial year (excluding Afibel)*

DAMART			COOPERS OF STORTFORD	3PAGEN	SEDAGYL	XANDRES
FR	BE	UK				
6,8%	4,7%	17,9%	3,4%	7,5%	2,4%	0,3%



# CUSTOMER SATISFACTION

Customer satisfaction is achieved by understanding their needs and capitalizing on interpersonal relations. On a daily basis, Damartex employees are in direct contact (in stores, in call centres) with nearly 40,000 seniors in Europe. This gives purpose and provides the Group with a very detailed knowledge of the target group seniors represent.

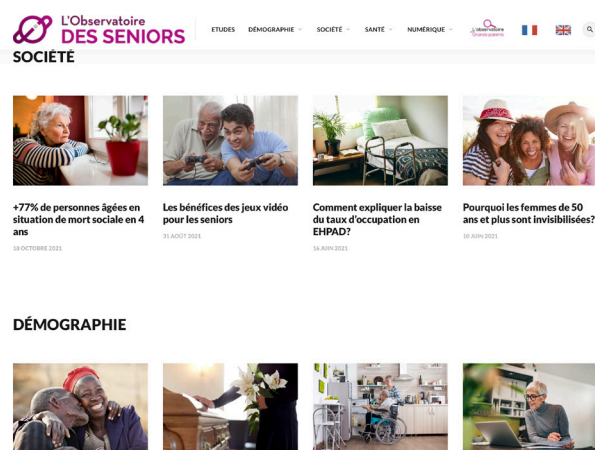
To guarantee this knowledge and satisfaction, the Group has a **Senior Observatory**, a **Customer Lounge** and all mail order brands have a call centre.

## Knowing your customers

### o The Senior Observatory

Assuming that the more the senior population is known, the better it will be served, Damartex has developed the Senior Observatory, a website accessible to all, that disseminate information on seniors: <http://observatoire-des-seniors.com>

This observatory gathers information on the 55+: demography, leisure, family, place in society, health, but also the relationship to new technologies. Beyond external communication, the Senior Observatory allows to better understand our customers' current needs and anticipate future ones.



Some figures on the Observatory :

- 39 articles were published this year
- 9 210 sessions and 8,260 visitors per month on average
- 1992 aTwitter subscribers as of June 30, 2021  
[https://twitter.com/obs\\_seniors](https://twitter.com/obs_seniors)

**8 260**  
visitors  
per month

This year, in conjunction with the Group's Foundation, the Grandparents' Observatory was created. Hosted by the Seniors' Observatory, the Grandparents' Observatory is a tab dedicated to the cause of grandparents. Already 6 articles have been published since April to raise awareness and communicate on the status of grandparents in the news.

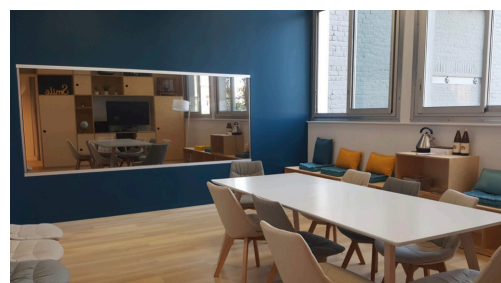
### o Le Customer Lounge

In order to better and better serve its customers, Damartex has created a specific space in mid-2018 to welcome and listen to them: The Customer Lounge. The room can accommodate up to ten customers, accompanied by five members of the Damartex teams.



Due to the health situation Damartex did not receive any customer in its premises this year. However, the Group conducted a fundamental study to better understand its audience, their lifestyle and their aspirations.

This study was conducted with 52 women aged 55 to 75 in 4 countries; France, UK, Germany and Belgium.



This study highlighted the importance of the human factor in the commercial relationship, even if this relationship is becoming digital. It showed the growing expectations of sustainability but also of a good price-performance ratio.

#### o Client Survey at Coopers of Stortford

Coopers of Stortford also chose to ask customers about the importance (in their opinion) of the brand's role in sustainable development. Thus, more than 150 minutes of call time were spent collecting information. 67% of those surveyed were over 70 years old. For 86.3% of respondents, being «greener» is very important. Another study is to be carried out soon.

### Customers satisfaction

Depuis 2013, le Groupe mesure la satisfaction clients avec le Net Promoteur Score. Since 2013, the Group has been measuring customer satisfaction with the Net Promoter Score (NPS). After purchase, customers are asked to rate from 0 to 10 their likelihood of recommending the brand to their friends and relatives. «Promoters» are customers who gave a score of 9 or 10, «detractors» are those who gave a score of 6 or less. The NPS is the difference between the percentage of promoters (scores of 9 and 10/10) and the percentage of detractors (scores of 0 to 6/10).

The Damartex Group's NPS for the 2020-2021 financial year is: 27.2 down 4 points from the previous year (31.1).

Xandres, the group's leading brand in terms of NPS, scored 65.

Damart	Afibel	Xandres	3PAGEN	Coopers of Stortford	Sedagyl
37 (38,6)	20 (16,7)	65 (61,6)	-10 (6,6)	36 (48)	33

Developments are most often due to the success of mail order, which leads to delays in delivery or backorders.

**The Damartex Group's objective is to reach an NPS of 50 for the 2021-2022 financial year.**

# ON SENIORS'SIDE FOUNDATION

In addition to customer satisfaction, being «On Seniors' Side» also means making a commitment beyond the business for the well-being of seniors. It is on this commitment that the Group has decided to create its corporate foundation: On Seniors' Side Foundation in March 2019. <https://on-seniors-side-foundation.org/en/la-fondation/>

«**Changing society's view of seniors and acting for their well-being**» is the mission that the Foundation has set itself. It is aimed at all Seniors and acts in one of three identified areas, namely:



1

Encouraging seniors to go out and improve their **WELL-BEING**

Helping seniors engage in Society and encouraging **inter-generational bonding**

2



3

Promoting healthy home living and **supporting carers.**

Since its creation, the Foundation has helped finance and support **60 projects, including 20 this year in 5 countries.**

The amount allocated to associations this year is **152 343 €.**





All the projects financed by the foundation are sponsored by a Group colleague, to offer them the opportunity to engage for the benefit of Seniors and to maintain the kindness, respect, empathy and passion that form the basis of our brands' values. Over 90 people are involved in the Foundation.

Our On Seniors' Side Foundation is a vehicle of purpose. It generates a real pride in belonging to a committed and responsible Group.

This year, the Foundation wanted to emphasize the inter-generational link and the essential role of grandparents in society. This is why it has co-organized with the association **École des Grands-parents Européens** (EGPE) a symposium on the theme: «Are grandparents seniors like any other?»»

This took place on Monday 28 June 2021 at the French National Assembly, in the presence of the French Junior Minister in charge of children and families, and highlighted the following 3 facts:



- ▶ Baby boomer grandparents have emerged as the pivotal generation,
- ▶ There are several factors that argue for a grandparenting policy,
- ▶ Approaching the politics of age through the angle of grandparenting allows us to think of a society that is more inclusive

In particular, it was recommended to:

- ▶ Better recognize and value the importance of grandparents and help families in managing inter-generational bonds;
- ▶ Promote adopted grandparenting to serve inter-generational bonds;
- ▶ Mitigating the effects of the geographical distance from grandparents; and
- ▶ Supporting the ramping up in competence of seniors on digital tools

These recommendations are all at the heart of the actions that the Foundation supports through the financing of projects delivered by associations. It was also during this conference that the Foundation officially announced the creation of the Grandparents' Observatory hosted by the Seniors' Observatory.



**PA**  
**GIO**



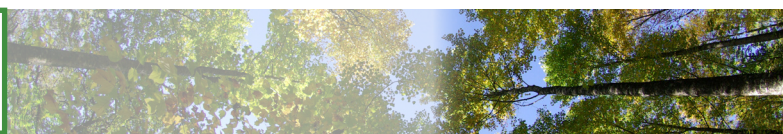
# **RT IV : METHODOLO- CAL NOTE**



The social, environmental and societal information presented in this report has been prepared for the financial year ended 30 June 2021 in accordance with Articles L.225-102-1 and R.225-105-1 of the French Code de commerce.

- The DPEF 2020/2021 perimeter corresponds to the Group perimeter as defined in the financial statements (as in 2019-2020).
- Given the nature of the Group's activities, the following topics: fight against food wastage, against food insecurity, and responsible, equitable and sustainable food, were considered irrelevant and do not justify being developed in this report.

## Committing to the planet



**kg CO2 eq per unit sold:** release of CO2 eq measured on scopes 1, 2 and 3 of the Group for the 2018- 2019 financial year according to the GHG Protocol method/ number of units sold for the 2020-2021 financial year

**Rate of eco-responsible references of the collection:** total number of eco-responsible references in the 2020-2021 collection / total number of references in the 2020-2021 collection.

A product is defined as eco-responsible according to the raw material, the manufacturing process, the origin, and its sustainability within the framework set by the Group.

**Carry forward rate of references:** reference carried forward to 2020-2021/ total number of references in the 2019-2020 collection

A carried forward reference is a product from the 2019-2020 collection that was already available in the 2018-2019 collection, possibly in a new colour.

**Rate of unsold products :** quantity of unsold products from the 2020-2021 collection / total quantity of products offered from the 2020-2021 collection

**Hazardous waste generation:** total consolidated volume of waste with toxic or hazardous elements generated by the Group's subsidiaries for their activity.

**Non-hazardous waste generation :** total consolidated volume of non-hazardous (or common) waste generated by the Group's subsidiaries for their activity.

**Share of waste reused, re-employed or recovered (internally or externally) :** total consolidated volume of waste reused, re-employed or recovered (internally or externally) / total volume of waste (hazardous or non-hazardous) generated by the Group's activity.

**Tons of plastic waste generated by activity:** total quantity of plastics generated by the brands' activity (plastic bags in stores, products' polybag, product packaging, parcel packaging, mailing shot and catalogue packaging).

## Committing to people



### ○ Happy and talented employees

Share of employees on permanent contracts : number of employees on permanent contracts in N / total number of employees in N.

Turnover rate :  $[(\text{Number of permanent departures in N} + \text{Number of permanent arrivals in N}) / 2] / \text{Staffing at end of year N-1}$

Number of recruitment on permanent contracts : number of permanent hires in the Group's subsidiaries during the 2020-2021 financial year.

Access rate to training : number of employees having attended at least one training course during the period on the workforce. As mentioned above, this is for the 2020-2021 financial year.

Number of employees who have attended at least one training course : consolidated number of employees at Group level having attended at least one training course during the financial year 2020-2021.

Training budget : consolidated budget at Group level allocated to employee training in the 2020-2021 financial year.

Average number of training hours per employee : total number of hours of training provided during the 2020-2021 financial year / average number of Group employees

Employee satisfaction rate (Group survey) : result of the annual Group-wide survey.

Total absenteeism rate : (hours of absence due to illness and accidents + hours of absence due to maternity and paternity leave) / theoretical hours worked.

Rate of absenteeism due to illness and accidents at work Group : (hours of absence due to work-related illness and accidents) / theoretical hours worked.

Number of accidents resulting in work stoppage: consolidated number of accidents at work that occurred at Group level and resulted in work stoppage of at least one day.

Incidence of accidents at work :

Frequency rate: =  $(\text{number of accidents with lost time} \geq 1 \text{ day} \times 1,000,000) / \text{hours worked}$

# METHODOLOGICAL NOTE

Severity rate: = (number of days of absence from work  $\geq$  1 day x 1,000) / hours worked

Share of seniors in the Group workforce: number of employees aged 55 and over / total number of employees at Group level

Average age of the Group workforce: sum of the ages of the Group's employees at 30.06.21 / number of Group employees

Percentage of women in the workforce: number of women in the workforce as of 30.06.21 / total number of Group employees.

Share of women executives (or managers): number of female executives or managers in the workforce / total number of executive or managerial employees

Share of disabled employees (in French subsidiaries): number of disabled employees (in French subsidiaries) / total number of employees in French subsidiaries.

Share of employees with disabilities at Group level: consolidated number of disabled employees at Group level / total number of Group employees.

## ○ Sustainable Procurement

Share of purchase volumes by risk level: volume of purchases of products from countries (risky, medium-risky or low-risk) / total volume of purchases

Rate of new suppliers: number of new suppliers referenced during the year / total number of active suppliers

Share of suppliers by type: number of suppliers by type / total number of suppliers

Share of purchasing volume operating through the Purchasing Office: volume of purchases made through the Purchasing Office / total volume of purchases

Rate of suppliers having signed the charter: total number of suppliers having signed the Damartex Way responsible purchasing charter / total number of suppliers

Rate of products from audited factories: volume of product purchased from factories with a valid ICS or BSCI audit / total volume of product purchased.



Valid ICS : unannounced or semi-announced less than 2 years old.

Valid OIOS : unannounced or semi-announced and less than 2 years old if rated A or B or less than 1 year old if rated C.

## Committing for seniors



### ○ Product quality

Customer return rate: number of items returned in 2020-2021 / number of items sold in 2020-2021.

### ○ Customers satisfaction

NPS (Net Promoter Score) : % of brand promoters - % of brand detractors

The notions of promoters and detractors are evaluated from the question: «on a scale of 0 to 10, how likely are you to recommend the brand to your friends and family?» asked to customers after purchase. Promoters: customers who gave a score of 9 or 10. Detractors: customers who gave a score below 6

### ○ On Seniors'Side Foundation

Number of projects funded by the Foundation : total number of projects funded by the Foundation in 2020-2021.

Total amount allocated to associations: sum of the amounts paid to the associations by the Foundation in the framework of a project financed in the financial year 2020-2021.





**damartex**  
GROUP

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